

# Completing the Cycle: The End of Spain's Political Transition

by Juan Diez-Nicolas

In the February/March 1995 issue of *The Public Perspective*, I concluded that, in spite of many different political and economic factors suggesting the need for parliamentary elections in 1995, "it seems.... that [President] González intends to resist, with the parliamentary support of the Catalan and the Basque minorities, until the end of 1995. With this the case, he can again be President of the European Commission during the second half of the year, which implies that elections would be held in the spring of 1996." My prediction was fulfilled completely. Elections were held this past March, with the socialist party (PSOE) losing (although by only one percentage point) to the more centered, conservative-liberal Partido Popular (PP).

## Closing Weeks of the Election

Most published polls had predicted that the PP would win by more than ten points, and would consequently obtain an absolute majority in Parliament. A minority, however, had predicted a difference of roughly five percentage points—hence only a relative majority for the PP. Post-electoral data collected by Social, Economic and Political Analysis (ASEP) suggest that the publication of such exaggerated polls, combined with negative commentary from the media over the consequences for socialist public servants if the PP won, and an effective PSOE electoral campaign (which reinforced the threat of a return of "francoism"), probably were responsible for last minute changes in voting.

The data clearly indicate that the proportion of voters deciding in the final two weeks who they were going to cast a ballot for was significantly larger than in the 1993 elections. Data collected before and after the election seem to support the hypothesis that the proportion of voters who wanted the PSOE to step down was larger than those who wanted the PP to take over the government. Fearful of a large, absolute majority by the PP, many Spaniards cast votes for the PSOE to reduce the potentially excessive power of a PP government. In addition, the expected electoral growth of the IU (the "ethical left") did not occur, even in Andalusia where it was most anticipated. Many of the IU's potential voters in Andalusia decided to vote for the PSOE, who had transferred additional agricultural unemployment subsidies to that region only a few weeks prior to the election.

The main reason the socialists lost the 1996 election was scandal and corruption in the PSOE. Since 1990, the press has made frequent reports of questionable activities within the socialist party. The presumed guilt of many high-ranking PSOE government officials in financial scandal and in the "dirty war" against the Basque terrorist group (ETA) did significant damage to the party's and President Gonzalez's image. In fact, what needs further explanation is how the PSOE was able to maintain such a large portion of the electorate after six years of continuous criticism and scandal.

## PSOE Maintains Support, Despite Criticism

Some plausible explanations for the maintenance of substantial electoral support for the PSOE most likely result from a combination of the following:

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\* The PSOE's implementation of an almost neo-liberal economic policy which allowed banks and large financial institutions to obtain high benefits (though it did not necessarily benefit medium or small businesses, which had to bear the burden of large fiscal and social security costs);

\* The PSOE's reinforcement of a social policy which widened the welfare system (at a cost of greatly increasing the national deficit and producing a "political clientelism" of great magnitude among large sectors of the population);

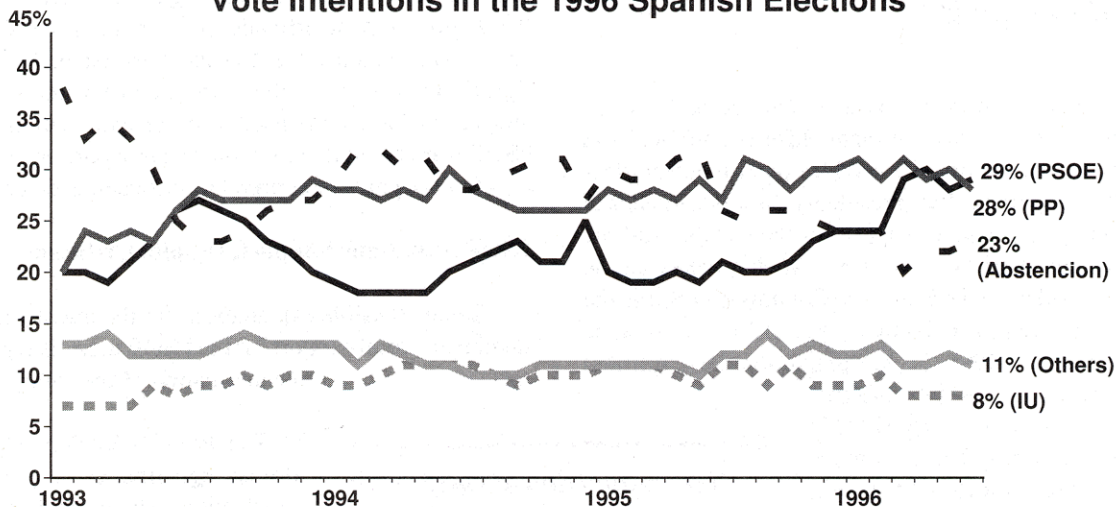
\* The PSOE's design of a foreign policy that gave Spain an international status not previously achieved (mainly in association with NATO and the European Union); and

\* Finally, the persistent electoral support for PSOE may have resulted from the well-known distrust of the "crude left," represented by the Communists (IU), and the "traditional (francoist) right," represented by the PP in the absence of a significant extreme right party in Spain.

Even with the declining image of the PSOE since 1992, the impact at the election booth has been minimal (PSOE won the 1993 elections by three percentage points, and lost the 1996 elections by only one percentage point).

As the most significant social and political indicators used by ASEP in its monthly national surveys show, public opinion started a cycle of disaffection with the PSOE government beginning in the spring of 1991, reaching an historical low at the end of 1992. Negative evaluations of both the personal and national economic situation, and pessimistic expectations regarding the future (as measured by three Consumer Sentiment Index indicators) run parallel to the spectacular loss of jobs

### A Close Finish Vote Intentions in the 1996 Spanish Elections



**Note:** PSOE - Partido Socialista Obrero Espanol; PP - Partido Popular; IU - Izquierda Unida; Abstencion - respondents who say they will abstain from voting.

**Source:** Surveys by Analisis Sociologicos, Economicos y Politicos (Madrid, Spain), latest that of March 1996.

during the same period. (During this period Spain eventually reached the highest level of unemployment among the EU countries.) Since early 1993, however, all indicators have shown a slow but persistent tendency to improve, even though they remain at very low levels.

It is important to note that it has been routine for Spaniards to become more optimistic at election time (general election in June 1993, European election in June 1994, regional and local election in June 1995, and general election in March 1996), and then experience significant decreases in optimism immediately thereafter. The one exception is the general election in 1996. Surveys taken in the months following this election have consistently recorded increasing levels of optimism for the future. This can be seen as collective satisfaction with the fact that the PSOE lost and as a vote of confidence to the new PP government. Satisfaction with the PP government has reached values over 100 (meaning the proportion of those who are satisfied is greater than the unsatisfied) in our May and June surveys. The evidence indicates that the

cycle of pessimism that started in 1992 seems to be ending.

The 1996 elections may even be considered the end of the political transition that started with the death of Franco in 1975. Since Franco's death, politics in Spain have experienced three distinct periods. The first was the center government of the UCD which was responsible for political reforms that established a democratic regime (1975-1982). The second period saw a moderate and democratic socialist party come to power peacefully. This socialist party was responsible for the growth of the welfare system as well as for the integration of Spain into NATO and the EU (1982-1996). And the third period was the peaceful and democratic change of power after the 1996 elections, when a center-right party obtained the majority.

#### Government Building

The results of the 1996 elections deserve some additional comment, as they represent a monumental change in the functioning of the Spanish political system. The UCD governments of 1977

and 1979 were based on a relatively large parliamentary majority and did not require a formal compromise with other political parties. So too, was the 1980s government of the PSOE. However, in 1993, the PSOE received only a relative majority, requiring more formal agreements with the Catalan and Basque minorities in Parliament (though not a coalition government). Though the PSOE was dependent to a certain degree on the Catalan minority in 1993, they could, in theory, replace Catalan support with that of the leftist IU, thus allowing the PSOE some bargaining power.

The relatively small majority the PP received in 1996 has forced it to seek the support of other center-right forces. Since there are no other national political parties to gain support from it has been necessary for the PP to seek regional political support. Before the 1996 election, the PP had secured the allegiance of some regional parties (Unión Alavesa in the Basque Country, Partido Aragonés in Aragón and Unión del Pueblo Navarro in Navarra). However, contrary to expectations, and after negotiations that lasted a month, it succeeded

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in reaching agreements with the Catalan CIU, the Basque PNV and the Canarian CC. Newly-elected President Aznar, of the PP, surprised many by showing a capacity to compromise with the regional parties. The PNV and CIU have routinely shown great distrust toward establishing any ties with national parties, especially with the PP, which in the opinion of the majority of their electorate still represents the traditional “centralizing right wing party” if not full “francoism.”

### Policy Challenges

Predicting how long these agreements will last is difficult, but currently they seem to be working. Even sensitive issues such as a strategy against terrorism and the economic measures necessary to meet the Maastricht criteria are being discussed. There are, however, some pressing policy questions to be addressed by Aznar's government for which solutions will be difficult to find. For example, it must develop a more liberal economic policy (less state intervention in the economy) to meet the Maastricht criteria by the end of 1997. Implementing this economic policy will be necessary for Spain to be included in the leading group of countries within the European Union. These economic reforms must be implemented without greatly reducing the social expenditures of the welfare state (retirement pensions, educational and health facilities, unemployment subsidies, etc.), which are widely supported in Spain. Reductions in the welfare system would cause severe conflicts with labor unions and the left-wing parties (PSOE and IU). Also, Aznar needs to address the demands of his regional minority supporters (mainly the Catalan and the Basque) who are requesting more power and responsibility be transferred from the state to these regions. To make this transfer would be a high-stakes gamble on the unity of Spain—something that would be contested by not only the electorate of the PP, but by those of the PSOE and IU as well.

To address these policy issues, Aznar does have a few advantages. First, the image of the PSOE continues to deteriorate due to frequent charges of corruption, which reduce the party's electoral and political threat. There have been some dozen trials in which socialist leaders were implicated, and

new ones that may begin shortly. Further, the direct accusations aimed at former President González, even from within his own party, are more explicit and frequent. The PSOE may need his resignation as party leader in order to seriously reorganize for the next election.

Second, Aznar has received much credit from the electorate, even from those who did not vote for the PP, as a true “managerial leader,” (as opposed to a charismatic leader) able to solve problems pragmatically and without demagoguery. Aznar is seen as an honest and able high-ranking public servant, rather than as a party politician. He is viewed by the public as well-qualified to deal with corruption, the misuse and dilapidation of the national budget, and terrorism. Only time will tell whether these positive evaluations, combined with his achievements over the next few months, can counteract the feelings of distrust that a conservative government still arouses in large sectors of Spanish society.

The largest challenge for Aznar's government will be its capacity to reduce unemployment and create enough jobs for the young (only one out of three Spaniards aged 18 to 29 has a job, and seven out of ten in that age group live with their parents) and also for the aged (only one out of two males 50 to 64 years old has a job, the other one is unemployed or in early retirement). Recent surveys have shown that most believe the PP government will be able to remedy the economic situation, while at the same time the public fears that some social benefits will be cut. The public is also less fearful about the PP privatizing a large portion of state-owned industries, since most were previously privatized under the PSOE government.

Finally, one should not underestimate the capacity of the PSOE to maintain its strength in Spanish society, as was reflected in the March elections. The four monthly surveys conducted by ASEP since the election show that the PP and the PSOE maintain their respective electorates relatively unchanged since March. The socialists are succeeding in maintaining the morale of their constituents, in spite of losing most of their political power. Certainly the PSOE still has influence at lower levels, but the explanation for their success in maintaining their electorate may rely on the communication structure and strategies they have created, which to a large extent remain intact. It is their power to communicate, as well as their knowledge of what to communicate, that holds their electorate together.



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