

Public Affairs

Technical Note

Estimation of the December 21 Election Results and Scenario in Catalonia

Madrid, December 7, 2017

The electoral campaign in Catalonia started last Tuesday. And so, with the aim of clarifying the scenarios that may arise as a result of this, the Public Affairs team at LLORENTE & CUENCA, led by Partner and vice-president of the department **Joan Navarro**, and Senior Consultant **Nacho Corredor**, have put together a report that includes a **results estimation model and a probabilistic analysis** of scenarios commissioned by Quantio, and directed by the sociologists **Jorge Galindo** and **Kiko Llaneras**, regarding the elections this coming December 21.

Context

These elections are set in the context of recent events; the **independence referendum on October 1**, followed by the **declaration of independence on October 27 and the subsequent triggering of article 155** of the Spanish Constitution. Institutionally, the **autonomous status of this region has been suspended** and its government has been ceased. What's more, the ex-president **Carles Puigdemont is in Brussels** waiting for the Belgian justice system to authorize his extradition and the ex-vice president **Oriol Junqueras is in prison awaiting trial**, alongside the two leaders of the most important separatist organizations (Òmnium and ANC). Up until yesterday, the vast majority of the previous government was also in the same position.

Likewise, large social **movements and protests have taken place, both in favor of independence and of the constitution**. Last of all, there is a general feeling of **uncertainty**, as these events have had an

economic impact, with a **drop in tourism**, and **increase in unemployment** in November and many companies moving their headquarters to locations outside of Catalonia. And it is in these circumstances that Catalonia's future will be decided this December 21.

Changes Compared to Past Elections

There are three key changes in this campaign compared to previous elections:

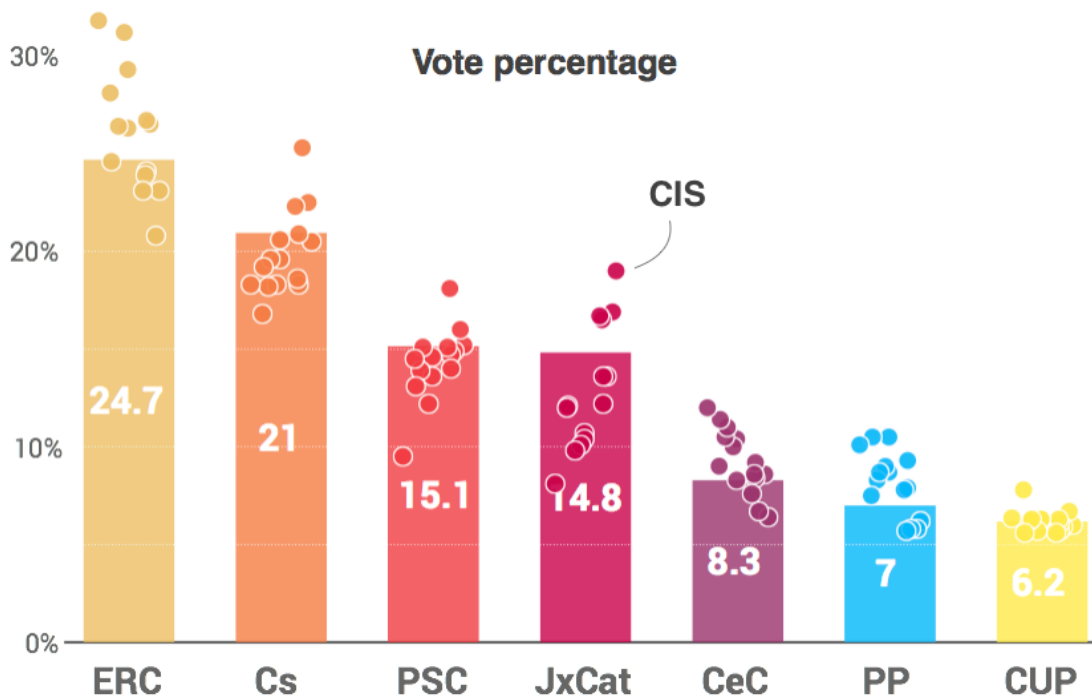
1. **There is no one unified independence party candidate list:** although the independence movement has stressed the importance of once again acting as one after December 21, this time there will not be a list of purely pro-independence candidates as was the case in 2015 with the electoral coalition, Junts pel Sí. The two main pro-independence parties' candidates lists will be from:

- ERC: everything points to the suggestion that for the first time in recent history this will be the most voted pro-sovereignty party, and very probably the most voted party overall. ERC also aspires to become the new hegemonic party and place itself at the helm of the independence movement.
- Junts per Catalunya (JxCat): after failing in the attempt to create a unified party list, PDeCat has declared they will rebrand in view of their projected electoral decline, on a new platform centered around Puigdemont, with Jordi Sánchez, the ex-president of ANC as second in command and a strong presence of pro-independence candidates. Recent surveys seem to validate this strategy.

dominated the public space and political movements. But both on the streets and online, and especially in polls, this situation seems to have been reversed. One of the key factors of the December 21 elections will be if this dynamic is portrayed in the ballot boxes or not. As it stands, those that are against Catalan independence seem to be more willing to vote than ever before. This was shown yesterday in a study carried out by the Centro de Investigaciones Sociológicas (CIS).

3. **Unió joins the PSC's list:** the PSC is presenting a campaign that also aims to make the most of this anti-independence sentiment and the disappointment of the moderate nationalists with the unilateral path. In 2015, Unió, which was then partnered with Convergència Democràtica de Catalunya, gained 2% of the vote and more than 100,000 votes that the socialist PSC are willing to add to theirs.

2. **Those against Catalan independence seem to be more willing to vote:** until the second half of 2017, independence had



Every point is a survey made during the last two months
Columns are weigh average from sample and date.

How Did We Get to the Beginning of the Campaign?

On October 27, the unilateral declaration of independence topped off the unilateral route to independence that started on September 6, by approving separatist laws, with half the Catalan parliament abstaining from the vote. A few hours later, the Spanish Government triggered article 155 of the Spanish Constitution, suspending the region's autonomous powers and simultaneously calling elections for December 21.

In the following days the key issue around the conflict was settled: **the pro-independence leaders implicitly accepted the Spanish legality by deciding to adhere to the elections called by Mariano Rajoy**. This proved that there was no predisposition to assume the immediate costs of a unilateral path (legal action, company's changing their headquarters, lack of international support). Meanwhile, **the fact that elections that will be held in the minimum time period as permitted by law shows the reservations that the Spanish Government has to establish an extended direct rule that could have been socially unsustainable**.

The December 21 elections will channel this fundamental dilemma: **the pro-independence parties are facing both the evaluation of how they handled the majority that they received in 2015, as well as the doubts that have arisen over the future of pro-independence action** once the unilateralism has been cancelled (at least in the short term). The **constitutionalists**, on the other hand, **do not have a clear majority**, and it is resulting to be difficult to find viable pacts from outside of the block after

wholeheartedly supporting the triggering of article 155.

In this framework of polarization, **the space represented by Catalunya en Comú - (CeCP) is narrowing, not in votes, but in visibility. Paradoxically**, this loss of pre-electoral centrality could completely turn around: if, as may be possible based on the data displayed below, neither the pro-independence or pro-constitution blocks wins a majority, **the CeCP's decisions will be key in order to guarantee governance in Catalonia**.

The Current Situation

Despite having lots of data available, the uncertainty surrounding these elections is high for two reasons:

1. **The electoral race is very tight**. There are seven candidacies with almost certain parliamentary representation, that align in two blocks of three parties (the pro-independence block and the constitutionalist block) with the seventh political power, CeCP, in the middle of them both. Both the leading parties of each block and the total of both blocks are at very similar levels. So much so, that right now all the possible results fall within a certain margin of error.
2. **The difficulty of estimating whether voters of each block are willing to vote**. Whilst the constitutionalists have traditionally been silent and have comparatively voted less in Catalonia, the exceptional nature of this election may change this dynamic. In contrast, those that are pro-independence, have almost as many reasons to stay at home that to go out and vote: one the one hand, the non-implementation of the unilateral declaration of independence may lead

to despondency after an intense period of mobilization. On the other hand, their leaders being held as political prisons may encourage them to participate. As such, recent polls estimating their participation vary from 70% to more than 80% in some cases, which would be an unprecedented milestone.

Having said that, and whilst always taking these restrictions into account, it is possible to make an estimation using a probabilistic model, thanks to the quantity and quality of the data available.

Estimations of Votes and Seats

Up until now the polls coincide that ERC will win the December 21 elections with around 25% of the vote and Ciudadanos will come in second place, leading the constitutionalist block with an estimated 21% of the votes. However, **ERC are**

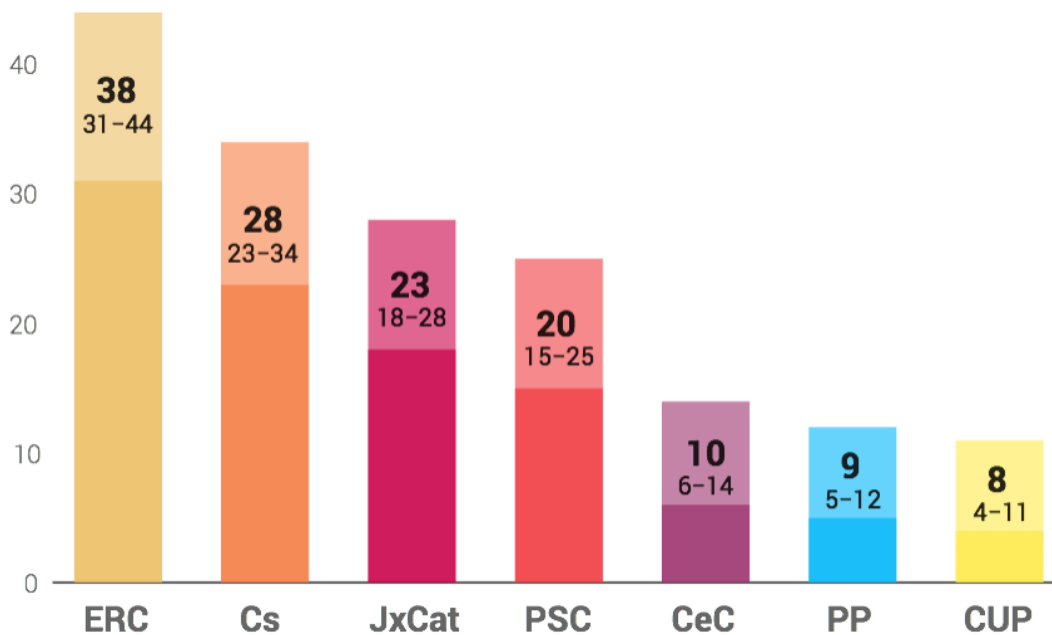
coming into the campaign with a downward trend, whilst Ciudadanos' is gradually increasing, confirmed yesterday with the publication of the estimation of the Centro de Investigaciones Sociológicas (CIS). **The battle for third place is being fought between PSC and JxCat, with the former having a slight advantage by getting over 15% of the estimated vote.** The probabilistic model created by Quantio for

LLORENTE & CUENCA offers an estimation of the seats to be won based on the poll averages. **The model takes the polls for the last elections in Catalonia into account, as well as their historical mistakes, we also apply those to the results of current polls so as to get an estimation** within a margin that is still wide as we are still two weeks away from the elections.

Right now, despite the increasing tightness in votes, **the benefits that the**

Seats prediction

Estimation based on 10.000 simulations with a probabilistic model based on surveys



Source: Quantio prediction model

LLORENTE & CUENCA

	Seats (median)	Likelihood to achieve majority	Likelihood if there is no independence majority
Independence parties ERC + JxCat + CUP	68	53%	x
Indep. and commons ERC + JxCat + CUP + Ce	76	91%	89%
Left (no CUP) ERC + PSC + CeC	68	51%	48%
Constitucionalists and commons Cs + PSC + PP + CeC	67	46%	100%
Constitucionalists Cs + PSC + PP	57	3%	7%

Source: Quantio prediction model

LLORENTE & CUENCA

electoral systems grants to the ERC provides it with an advantage that is almost impossible for Ciutadans to compete with to be a majority party in the future parliament. Likewise, the electoral bias leans in the favor of those provinces other than Barcelona and benefits JxCat rather than PSC, which would lead it to be in third position in terms of seats. The advantages of the electoral system shine through when it comes to creating majorities, as despite both blocks being equal in votes, the way the seats are distributed favors the pro-independence block.

Possible Majorities

The model also allows us to estimate the probability of different coalitions gaining 68 seats, and consequently an absolute majority. Here we will outline four key scenarios and their probabilities.

1. **Pro-independence majority: The probability of the three separatist parties gaining a majority in Parliament is 53%.**

Despite the CUP proving to be a

difficult partner for the parties of the government, if the three parties reach the key number of 68 seats, it would be difficult to avoid a new, pro-independence government. This would create the current problem of how to go about gaining this independence: unilaterally or by replanting a more pragmatic approach.

2. **Constitutionalist majority:** despite Ciutadans' growing trend, the constitutionalist block has, on the whole, a **fairly stable percentage of seats which is far from being enough to create a majority government.** Right now, the probability of a constitutionalist tripartite government is **only 3%**. If this probability is conditioned on the basis that there has not been a pro-independence majority, this figure rises to 7%. In our projection, this is therefore the least probable outcome.
3. **CeCP as a key party:** if neither of the blocks gain a majority, the

CeCP would emerge as a key party to grant governance to one or other of them. In theory, **CeCP would almost certainly side with the pro-independence block (more than 90% probability)**. On the other hand, the probability of the **constitutionalists being supported by CeCP in order to create a majority is 46%**. This scenario would give **Miquel Iceta**, as a figure from the middle ground, the **chance to be president of the Generalitat**. If we presume that the independence block has not gained a majority, this option would certainly have more than 68 seats. This leaves the CeCP with the keys to create a government one way or the other if the independence block does not achieve its majority.

4. **Left-wing majority**: a fourth possibility that has been considered in the run-up to the elections is the creation of a left-wing block that would overcome the current division between the constitutionalists and those that are pro-independence and would be a throw-back to the tripartite times of ex-presidents Maragall and Montilla (without including the CUP). **Despite the fact that a scenario in which ERC and PSC achieve a majority currently seems highly unlikely, this theoretical combination has a probability of 51%**.

However, it should also be highlighted that the CIS pre-election poll maps out a picture in which only there will only be a left-wing majority in a scenario where the results add up to a pro-

independent majority. This is because the lack of both of them depends on how well (or not) the ERC does. And if they both are a possibility, the pro-independence block will always be more united. Last of all, **a left-wing majority that includes the CUP is particularly complicated** politically speaking. Regardless of what the numbers say, the fact that their ideologies are fairly far apart from the PSC's, would make this union almost impossible when considering how far the former is from the position of the PSOE at a national level.

Although these are the four feasible majority government outcomes to bear in mind, it is also **extremely important to consider the possibility of a hung government that leads to the elections being held again**. If the results do not lead to either of the blocks having a majority (1, 2), and all is to play for regarding the other options (3, 4), the dilemma for the involved parties may put them under too much strain. In particular, although the ERC-CeCP agreement is not off the cards after Ada Colau's movement, the electoral pressure the Podemos would be under nationally should their Catalan branch support this agreement would give rise to an impasse, similar to the one the PSOE suffered and that resulted in new general elections after their autonomous and national policies did not align.

In any case, **an eventual repetition would only put Catalonia back at square one**, meaning that the four situations of possible pacts would continue being exactly the same despite the toll on time and stability. If the elections are repeated, they could take place at the **end of May, which would be the maximum**

time-frame permitted within the Catalanian legislation.

As of December 21, parliament must be formed within 20 days (January 23). In the ten days following that, the first investiture debate must take place (February 6 at the latest). This debate marks the start of a period of 60 calendar days in which a president must be chosen. If the time-frame comes to an end without an agreement being reached, new elections will be held 54 days after: **May 31.**

The dissemination and reproduction of the material contained in this report is authorized for both commercial and non-commercial purposes, providing that the source of the materials used is cited.

For more information:

Joan Navarro
Partner and vice-president of Public Affairs
LLORENTE & CUENCA
T.: + 34 91 563 77 22 M.: + 34 628 467 445
Lagasca 88 - planta 3. 28001 Madrid
jnavarro@lorenteycuenca.com

Nacho Corredor
Senior Consultant of Public Affairs
LLORENTE & CUENCA
T.: + 34 91 563 77 22 M.: + 34 616 958 852
Lagasca 88 - planta 3. 28001 Madrid
icorredor@lorenteycuenca.com