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FIA^{6/2011} COMMENT

Zapatero's last stand > Local elections pave the way for next year's parliamentary elections in Spain

Both the Spanish Socialist party (PSOE) and the Popular Party (PP) are holding their breath as the day of the local and autonomic elections approaches. The duel is seen as a preliminary battle for the parliamentary elections, and Sunday's victor will have a significant psychological edge in the upcoming campaign for state leadership.

Although the vote is local and covers only 13 of the 17 autonomic regions, the biggest factors influencing voting decisions are related to central governance. The economic recession has hit Spain hard. Unemployment figures have already risen to over 20 per cent and the banking sector is on the brink of collapse. Despite the slightly positive turn in the first quarter of the year, recent economic forecasts do not raise many expectations. According to OECD statistics, the Spanish economy has relapsed into a mild depression and, due to the overall fiscal crisis in the EU, the situation is unlikely to change in the near future.

In light of the critical economic situation, both of the two biggest parties have been unusually taciturn about their agendas during the campaign. The PSOE has already been looking ahead to next year's parliamentary elections. Zapatero's government has become so unpopular that some of the running Socialist candidates regarded Prime Minister Zapatero as a burden to the party, calling for his resignation as party leader. As a result, Zapatero announced in early April that he would step down before the parliamentary elections in 2012.

The conservative PP has concentrated its energies on blaming the Socialists for the gloomy economic situation, while staying conspicuously silent about the fact that they will also have to inflict austere and unpopular public expenditure cuts.

Another hot topic in the political debate has been the so-called Bildu coalition in the Basque Country, which has successfully diverted discussions away from local campaigning. The Bildu coalition is a combination of Basque left-wing separatists from different political movements and many regard it as the political heir of the banned Batasuna party, which was a political wing of the terrorist organization ETA.

In order to legalize the Bildu coalition's participation in the elections, moderate separatists succeeded in pressurizing ETA to declare an armistice last autumn. When this social pressure within the traditional support group of ETA was combined with effective policing against ETA's violent activists, the Basque Country moved closer to the end of terrorism than ever before.

The Bildu coalition is unlikely to garner significant support in the Basque Country, apart from some very small communities, but the two biggest parties disagree strongly about permitting the left-wing separatists to take part in the elections. Despite the fact that the Constitutional Tribunal has given the coalition permission to submit their nomination lists, the PP claims that this means that "terrorists can enter the state institutions", which is both incompatible with democracy and an insult to the thousands of people that have suffered during five decades of ETA terrorism. The PSOE, on the other hand, states that the legalization is a matter for the legal system, not politics, asserting in the next breath that Socialist rule has brought ETA closer to its demise than the PP ever could.

Irrespective of this political confrontation, it would be important to offer a conventional mode of political activism to the hard-line separatists, since it facilitates legitimate local rule in many minor villages in the Basque country and defuses the impulse to commit acts of terrorism.

In sum, the overall context of the elections seems to strongly favour the PP. The blame for the economic recession will fall on the Socialists, and the hard counter-terrorism policy of the PP will gain ground in some sectors of the population, especially outside the Basque Country. Although the win will be symbolic of next year's parliamentary elections, the PP would also take a major step towards forming the government. This means that the conservative shift

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The Institute undertakes quality control in editing publications but the responsibility for the views expressed ultimately rests with the author(s). in Europe will continue. In terms of Spanish foreign policy, this would probably indicate a return to active trans-Atlantic relations and a more participatory role in international politics.

On the domestic front, a change of government would likely point to an eventual economic upturn, but also heighten the tension that results from social and regional differences. PP traditionally favours central governance at the expense of the autonomic regions, which may divide the country more than before, especially when taking account of the economic disparity in the different regions within Spain. In the Basque Country this could, in the worst case, lead to some kind of revival of ETA. Furthermore, the unemployment problem will not be solved overnight, and there is a great danger of a widening socioeconomic division of the population.

It remains to be seen whether next year will herald a change. Much depends on Zapatero's successor and his or her ability to mobilize the people to vote, since ballot box inertia has always signalled success for the PP, as it has more partisan voters than the PSOE. An easing of the European fiscal crisis will also play a big role. Any upturn in the economy would definitely relieve the burden on Socialist shoulders.