

## Belgium: Political crisis results in minority government

The Belgian government lost its majority on Saturday as ministers from the NV-A, the biggest Flemish party, decided to resign in protest over the UN migration pact. A minority government is likely to remain in place until Federal elections in May 2019. But there's a risk that Michel II ends up being a lame duck government



Belgian Prime Minister Charles Michel speaks at the federal parliament

Source: Shutterstock

### The facts

We highlighted in [our previous note](#) that ministers from the NV-A, the Flemish nationalist party, could possibly resign if Prime Minister Charles Michel were to endorse the UN migration pact at a conference in Marrakesh. Given the decision of the other coalition partners, supported by a majority in parliament, to go ahead with the [Migration Compact](#) and to sign the deal in New York on 19 December, the NVA decided to pull out of the government on Saturday.

With an election already planned for May, PM Michel has decided to continue with a minority government. As a consequence, the "new" government is composed of the CD&V (Flemish Christian Democrats), the Open-VLD (Flemish Liberals) and the MR (French-speaking Liberals).

These three parties have almost 1/3 of the seats in parliament. Ministers from the NV-A have already been replaced and approved by King Philippe. A minority cabinet is new in Belgium but it appears there is at least some room to test the arrangement; up to now, no political party has called for an early election.

## What's next?

When Michel returns from Morocco, he will have to negotiate with parliament to find a new way of working. The "new" government has already agreed on three main guidelines for future action:

1. Purchasing power and a strong social and economic policy
2. Security and justice
3. Ecological transition

Of course, nothing can be approved without other political parties. So the idea is to find alternative majorities for each future proposition. For the time being, opposition parties are taking a wait-and-see attitude, but they are unlikely to support the government unless they have an important say in any new initiative. At the same time, the NVA has said it will support laws already agreed upon by the previous government. As such, the approval of the budget 2019 is still feasible. Also, the gradual reduction of unemployment benefits and a number of measures regarding mobility should be able to garner a majority.

## The risks

Our base case is for a minority government to work with alternative majorities until the elections in May. But there are still many risks.

- The first point of concern is the 2019 budget that was agreed at the government level but still not approved by parliament. As the budget is part of a bigger deal, the NVA may well demand that the compromises agreed to last summer are passed in their entirety. If the current government starts to tweak certain details, the NVA might retract its support in parliament for the approval of the budget.
- Second, at any time, political parties could consider that it is in their interest to trigger new elections, in order to benefit from the current disorder. Local elections in October have shown some shifts in the electorate, and parties that are seeing positive momentum could be tempted to capitalise on that. That said, most political parties don't think it is optimal to ask the population to vote twice in five months, so this risk remains small.
- Third, testing a new way of working will not be easy, as the election campaign has de facto started. We already know that the next election will be crucial for the future of the country. Finding the next majority will be very difficult, given the divergence of political preferences in the North and South of the country. So all political parties will, in the coming months, be strongly inclined to demonstrate they can push through their policies, which is inconsistent with the necessity to find compromises. Paralysis is likely to be the main result.

There is indeed a political crisis in Belgium, but we don't think we'll see elections before May 2019. The next two weeks will be crucial in order to see if the Belgian political institutions are able to function with a minority government, with the main risk being that "Michel II" ends up being a lame duck.

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