

# Belgium: The political crisis is not over yet...

In response to the coronavirus crisis, a minority government was set up as a matter of urgency. But the hope of an improvement in the health crisis has raised the threat of a (new) political crisis



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## Pragmatism

As so often in the past, Belgian political parties have shown pragmatism in the face of emergencies. While the political discussions failed to produce a new majority following the elections of 26 May 2019, a large proportion of the political parties agreed to give parliamentary support to the caretaker government in place. This government is composed of only three parties (the French-speaking and Dutch-speaking Liberals and the Dutch-speaking Christian Democrats) which together have only 38 seats in parliament out of 150, and has been given special powers to manage the coronavirus crisis. This measure applies until June and can be extended until September if the situation so requires.

In recent weeks, there has been a lot of tension between the different political parties over decisions on deconfinement. Nevertheless, unity has been preserved: the federal and regional governments have been able to work together and the parliament has been able to reach

compromises on certain measures (since all matters outside the special powers are always discussed and decided in parliament). Will this way of working be able to continue?

## Step 1: the special powers

The first question to be answered will be whether the political parties can agree on a continuation of the special powers until September or on an alternative solution. If the health crisis does not resume, the special powers are not likely to be extended in June. However, as the health and economic situation remains very fragile, the current minority government should, for the time being, keep the confidence of the parliament. Otherwise, the political crisis would resume too quickly, which is not conceivable in the current situation.

## Step 2: new negotiations

From June onwards, the government in power could continue to work, but with stricter parliamentary control and the need to find its support for each measure proposed. At the same time, negotiations should resume in an attempt to form a new government, this time with a majority in parliament and a clear programme for the coming years. As we know, two options are possible: on the one hand, a government combining the Flemish nationalists (first party in Flanders) and the French-speaking socialists (first party in Wallonia and Brussels). But we know that these two parties are at odds with each other, both politically and economically. On the other hand, a government without the Flemish nationalists would also be possible, meeting the liberals, the socialists, the ecologists and even the parties of the centre.

Having said that, given the economic disaster and the poor situation of public finances (we expect a deficit of around 8.5% of GDP this year), tensions between the political parties will remain very high. The room for manoeuvre is indeed very narrow, despite enormous demands for more spending. Each party will want to achieve strong victories. It will therefore be difficult to reconcile a large number of parties. In short, it will not be any easier to reach an agreement in the aftermath of the coronavirus crisis than it was before this one, given that there is even less money to meet the increased demands.

## Step 3: new election to come?

Therefore, the prospect of new elections cannot be completely ruled out. That said, there is no guarantee that the result of these elections will make it easier to form a government. Moreover, it seems very difficult, both politically and practically, to organise elections before the final end of the coronavirus crisis, ie, in 2021 at the earliest. Until then, it is reasonable to assume that pragmatism will prevail once again and push the political parties to find a transitional agreement for a majority. But this also means that the longer term challenges of the Belgian economy, like the sustainability of the pension system or the structural reform of the labour market, will not be tackled anytime soon.

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