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Belgium in Search of Political Stability

Melchior Szczepanik

With Belgium confronting the COVID-19 pandemic, the majority of the country's political parties are now backing the government, which has functioned as a minority caretaker cabinet since December 2018. Whether this temporary alliance will become a fully-fledged coalition will depend on the government's ability to stem the pandemic. The unravelling of that emergency pact and another protracted political crisis would give new momentum to Flemish politicians' calls for institutional reform and granting more powers to the regions at the expense of the federal government.

The Specificity of the Belgian Party System. Belgium is a federal state composed of three regions: Flanders, Wallonia, and the Brussels-Capital region. The party system is highly fragmented, as almost all political parties are active only in parts of the country. In the 1960s and '70s, the largest political families (Christian and Social Democrats and the Liberals) created separate parties in Wallonia and Flanders. The parties representing the French-speaking population of Wallonia and Brussels do not stand in elections in Flanders, while their Flemish counterparts do not field candidates in Wallonia. As a result, ordinarily, representatives of as many as 10 parties sit in parliament. The only party that in 2019 won mandates in all three regions is the far-left Labour Party.

Fifteen Months of Political Instability. Since December 2018, a minority government has been in place. Following a clash concerning migration policy, the Flemish nationalists (the New Flemish Alliance, NVA) decided to leave the coalition that supported Charles Michel's cabinet. The election of May 2019 deepened the fragmentation on the political scene—as the major parties lost seats, the radical ones without coalition potential gained ground. Twelve parties had representatives elected to the 150-seat lower chamber and only one (NVA) controls more than 20 seats. Each of the four parties that supported the government between 2014 and 2018—the Liberals, Flemish Christian Democrats, and NVA—lost seats. Two social-democratic opposition parties also emerged weakened. Two radical parties recorded good results, the Labour Party and Flemish Interest, representing the more radical branch of the nationalist movement. They won 12 and 18 mandates, respectively (compared to two and three in the previous term). Two Green parties also grew and combined and now have 21 mandates (12 in the previous term).

This configuration made the creation of a majority coalition difficult. The Social Democrats, weakened but still the strongest party in Wallonia, were unable to find an understanding with the largest Flemish faction (NVA). Such a deal would have laid the foundation of a coalition that could enjoy majority support in Flanders and Wallonia alike. However, the NVA rejected plans to boost social spending advocated by the Social Democrats. Besides, both parties fear that their partnership—and the mutual concessions it would entail—would dent their support and benefit their more radical competitors, the Labour Party and Flemish Interest. A grand coalition of Social and Christian Democrats and Liberals offered a way out of the crisis on several occasions in the past but does not have a majority. Such a coalition could be reached with the help of the Greens, but the Flemish Liberals and Christian Democrats are wary of entering a coalition without

the NVA (their partner in the Flemish regional government). The protracted negotiations reduced public support for the major participants and boosted the extreme forces. Polls carried out at the beginning of March showed that if an early election was called, the Labour Party and Flemish Interest would win nearly one-third of the mandates in the lower chamber.

As the negotiations unfolded, the minority government was forced to build ad-hoc majorities for its initiatives. In October 2019, Prime Minister Michel, elected president of the European Council, was replaced by the budget minister, Sophie Wilmès. The government succeeded at pushing through the labour market reform but failed to secure a majority for a climate law, which was to constitute the basis for a national strategy for achieving the goals defined at the EU level. The increasing budget deficit has become a major problem. The draft budget for 2019 did not win majority support and the state administration has functioned on provisional budgets reflecting the financial plan for 2018. Meanwhile, revenues have fallen due to tax cuts adopted earlier while expenses for pensions increased (€1.5 billion per year). The deficit in 2019 has grown threefold to €8.7 billion (1.85% of GDP). The necessity to prop up the economy in relation with the COVID-19 pandemic means that this year, the deficit will certainly deepen (a government agency has already announced the issuance of additional bonds worth several billion euros).

Conflicting Visions of State Reform. The Flemish and Walloon parties disagree on institutional issues. Reforms adopted over the last 50 years gradually boosted the competences of the regions. The majority of Flemish parties advocate further changes in that direction. Flemish Interest calls for the full independence of Flanders. The NVA proposes creating a confederation, an idea endorsed by some Christian Democrats and Liberals. Their main goal is to reduce the Flemish contribution to the federal budget. Currently, financial transfers to the benefit of the less-developed Wallonia stand at €7 billion per year. Between 2014 and 2018, that ambition became less of a priority as Flemish parties dominated the ruling coalition and could carry out some of their proposals to reduce state expenses. Also, the Flemish population is divided about the future of the country. According to a poll from summer 2019, only a third supported granting more powers to the regional government. Another third of the respondents backed the opposite option, while 22% called for the return of a unitary state. However, the NVA maintained state reform as one of the conditions of their participation in the ruling coalition.

Walloon parties reject the idea to create a confederation. They either back the status quo or advance reforms that would strengthen the federal system. One of them is the proposal to create a statewide constituency, which would encourage the parties to campaign across the entire country and thus weaken the division into two separate party systems.

The New-Old Government. Confronted with the spread of the pandemic, the Social Democrats, Greens, and Walloon Christian Democrats decided to support the government. The NVA, Flemish Interest, and the Labour Party refused to back it. The parliament also granted the executive the right to issue decrees. This will enable quicker actions amid the epidemiological crisis. However, the alliance is not a fully-fledged ruling coalition. The government is obliged to limit its activities to the fight against the pandemic and after six months, it will have to ask for the chamber's confidence again.

Conclusions and Prospects. The growing fragmentation of the party system and divergences between the largest parties from Flanders and Wallonia hinder the creation of a stable government. The advent of a broad alliance behind the Wilmès cabinet offers a chance for a breakthrough. If the government succeeds at controlling the spread of the pandemic, creates the conditions that facilitate the relaunch of the economy and wins public backing, the parties that support it will have strong reasons to prolong the provisional coalition. However, the longer and deeper the socio-economic crisis provoked by the pandemic, the less likely it will be that the factions that lent conditional support to the executive will be willing to take responsibility for the outcome of the struggle against the disease and the economic reconstruction. A heterogenous pact of eight parties (Greens, Social and Christian Democrats and Liberals from Flanders and Wallonia) could struggle to find common ground. The Flemish parties would have to accept a government that does not enjoy the support of the largest of them.

Should the "coronavirus alliance" unravel, the government will return to the minority status and have limited capacity to push through larger and long-term projects. Another political crisis, along with the necessity to mobilise considerable funds to stimulate the economy, will encourage the Flemish nationalists to insist on state reform that would grant new competences to regional governments. At the same time, the inability of political elites to create a stable federal government will undermine the arguments of the Walloon parties striving to defend the federation.