

GOVERNMENT COLLAPSE IN BULGARIA

Key takeaways from the fall of the Petkov Government & possible future scenarios

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| Issues & Sectors | Political Stability in Bulgaria |
| Stakeholders | Parliament of Bulgaria, Government of Bulgaria |

Only six months into its tenure, Bulgaria's coalition government, led by Prime Minister Kiril Petkov and his centrist We Continue the Change (PP) movement, has collapsed after losing a no confidence vote on 22 June. The fall of the government comes after the populist There is Such a Nation (ITN) left the four-party coalition, stripping the government of its parliamentary majority.

Under the Bulgarian constitution, President Rumen Radev will now task the largest parliamentary group (We Continue the Change) to form a new government, with the party determined to continue in office. The country's ideologically diverse multi-party parliament, however, could easily produce alternative outcomes, including snap parliamentary elections later this year.

Below, Aretera provides further insight into the collapse of the Bulgarian government, as well as into its political economic impact.

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THE END OF A SHAKY COALITION

On 22 June, Bulgaria's multi-party coalition government – led by Prime Minister Kiril Petkov – collapsed following a no confidence vote in the country's parliament. Supported by the populist There is Such a Nation (ITN) party, which recently exited the four-party coalition, opposition MPs – led by the former ruling centre-right GERB party of ex-Prime Minister Boyko Borissov – toppled the government by 123-116 in the parliamentary vote. This signalled the end of a government which took power only six months ago, following an unexpected snap elections cycle in 2021.

The original four-party coalition (which – alongside the ITN – also included Petkov's centrist We Continue the Change (PP) movement, the centre-left BSP for Bulgaria (BSPzP) and the centrist-liberal Democratic Bulgaria) stood on shaky ground from the very beginning of its formation, with disputes about budgetary spending and EU funds management, as well as major disagreements over whether to support North Macedonia's EU accession bid. The Petkov Government will now continue as an acting cabinet until the new government is formed.

THE COMPOSITION OF THE BULGARIAN PARLIAMENT

| Party/Alliance | Number of MPs | Affiliation |
|---|---------------|-------------|
| We Continue the Change – PP (anti-corruption, centrist, pro-EU, four-party coalition) | 67 | Government |
| Citizens for the European Development of Bulgaria – GERB-SDS (centre-right) | 59 | Opposition |
| Movement for the Rights and Freedoms – DPS (ethnic Turkish, centrist) | 34 | Opposition |
| BSP for Bulgaria – BSPzB (centre-left alliance led by the Bulgarian Socialist Party) | 26 | Government |
| There is Such a Nation – ITN (populist, anti-establishment) | 19 | Opposition |
| Democratic Bulgaria – DB (liberal, anticorruption, three-party coalition) | 16 | Government |
| Revival – Vazrazhdane (ultranationalist, pro-Kremlin, anti-vaccination) | 13 | Opposition |
| Independents (MPs that left ITN after the coalition break-up) | 6 | Support |
| Total | 240 | |

POSSIBLE SCENARIOS

With the Petkov Government having lost the confidence of the parliamentary majority, Bulgarian President Rumen Radev – an independent supported by the governing bloc and re-elected for a second term last November – is now obliged to offer a mandate to Petkov's We Continue the Change (as the largest party in the Bulgarian legislature) to form a new government. On 23 June, now Acting PM Petkov confirmed his intention to secure a parliamentary majority and continue as the head of a coalition government.

While Petkov's PP can count on the support of the centre-left BSPzB alliance and the centrist-liberal Democratic Bulgaria, he will also need to secure the support of an additional 12 MPs to form a majority in the 240-seat parliament. Under this scenario, Petkov could return as Prime Minister supported by a new coalition government or – more likely – a minority government. Although less likely, the promise of a major reshuffling of the Petkov Government could lead to ITN's return to government.

Should Acting PM Petkov fail to secure a majority in parliament, his party's main electoral rival, the second largest GERB-SDS of former PM Boyko Borissov, will next be offered the mandate. While the opposition currently has a theoretical majority in parliament, Borissov's party would have to enter an ideologically and politically diverse coalition with multiple parties. These include the ethnic Turkish DPS (with a history of providing support for GERB outside the government), the ultranationalist Revival party and the now opposition ITN. Such a coalition, however, would likely be highly unstable on a number of issues, particularly Bulgaria's Russia policy.

Under the Bulgarian constitution, President Radev could task a third party of his choice with forming a government if both the PP and GERB-SDS fail to do so. Should that effort also fail, Bulgaria would head towards another snap parliamentary election in the autumn, with the country led by a caretaker government in the interim, as it was between May and December in 2021. This would mean a fourth parliamentary election¹ in just 18 months.

If snap elections are held, another hung parliament seems the most likely outcome, with parties that would struggle to secure a working majority, potentially leading to further uncertainty and political instability. Recent polls suggest that GERB-SDS has overtaken Petkov's PP as the leading party, while the ultranationalist Revival is also gaining ground. At the same time, the majority of the Bulgarian public appears to be against new snap elections and in favour of a functioning government.

POLITICAL & ECONOMIC IMPACT

The collapse of the Bulgarian government comes at a highly challenging time. Russia's war on Ukraine is profoundly impacting the country, both politically and economically. Even as the EU is aiming to rid itself of energy dependence on Russia, Bulgaria heavily relies on Russian fossil fuel imports and is currently working on easing this dependence, with the current crisis likely to disrupt these efforts.

The fall of the government will negatively impact Bulgaria's aim to secure additional financial support from the Recovery and Resilience Facility (RRF), the EU's post-pandemic economic recovery funding scheme², as Bulgaria needs to adopt a series of laws to secure additional funding. Under the RRF, Bulgaria is entitled to an estimated €6.3 billion during the current EU budgetary cycle.

Given Bulgaria's veto against North Macedonia's EU accession bid over cultural disputes, the current crisis will also have far-reaching implications for EU enlargement as relations with non-member countries in the Western Balkans and Eastern Europe are currently among the principal challenges for the European bloc. While EU leaders recently approved candidate status for Ukraine and Moldova, political instability in Bulgaria will overshadow enlargement prospects in the Western Balkans.

¹ See [here](#) for our overview of Bulgaria's 2021 snap elections cycle and the formation of the Petkov Government from December 2021

² See [here](#) for our overview of the EU's post-pandemic recovery funding in CEE from June 2022

LOOKING AHEAD

The vote of no confidence and the fall of the Bulgarian government will now be followed by frantic attempts to secure a parliamentary majority. PM Petkov will officially resign on 27 June and consult President Radev, who will offer Petkov a mandate to form the country's next government. Should Petkov fail, ex-PM Boyko Borissov will make an attempt to return to power by forming a coalition with current opposition parties.

With public pressure to form a functioning government running high, the current political crisis could also lead to yet another snap parliamentary election, expected to be held this autumn if no party is able to form a new coalition.

While the 2021 electoral cycle saw the rapid emergence of brand new parties such as the populist ITN and Petkov's centrist PP, the upcoming political battle will be fought between those parties centered around We Continue the Change and those directly or indirectly supporting Borissov's GERB-SDS.

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