

Public Finance Tools

Reshape the Belgian Polity

A Sociological Perspective on Public Finance

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Introduction

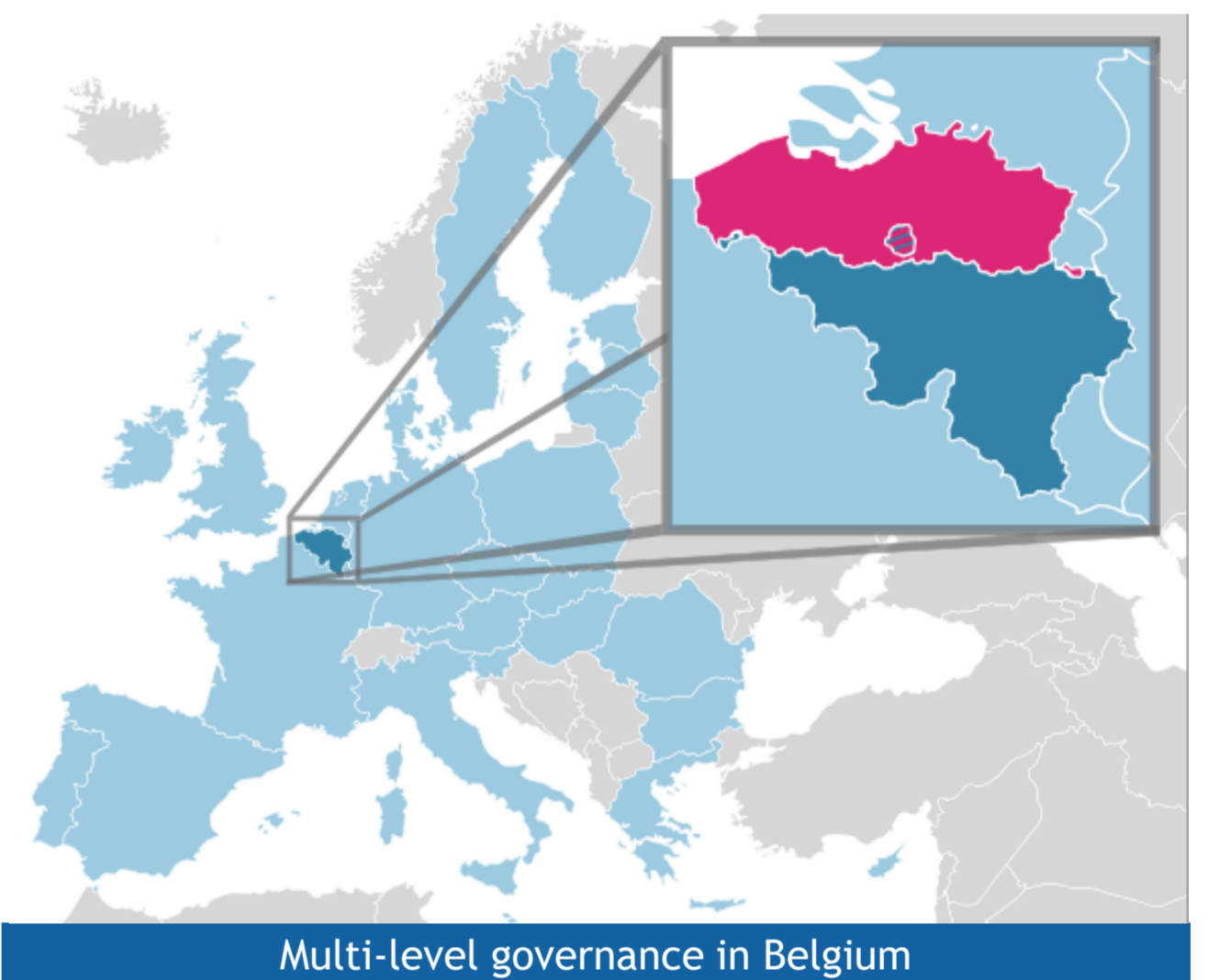
My PhD project aims at studying the transformations of **public governance** in Belgium through a **sociological perspective** on selected public policy instruments in the field of public finance.

Research objectives and methodology

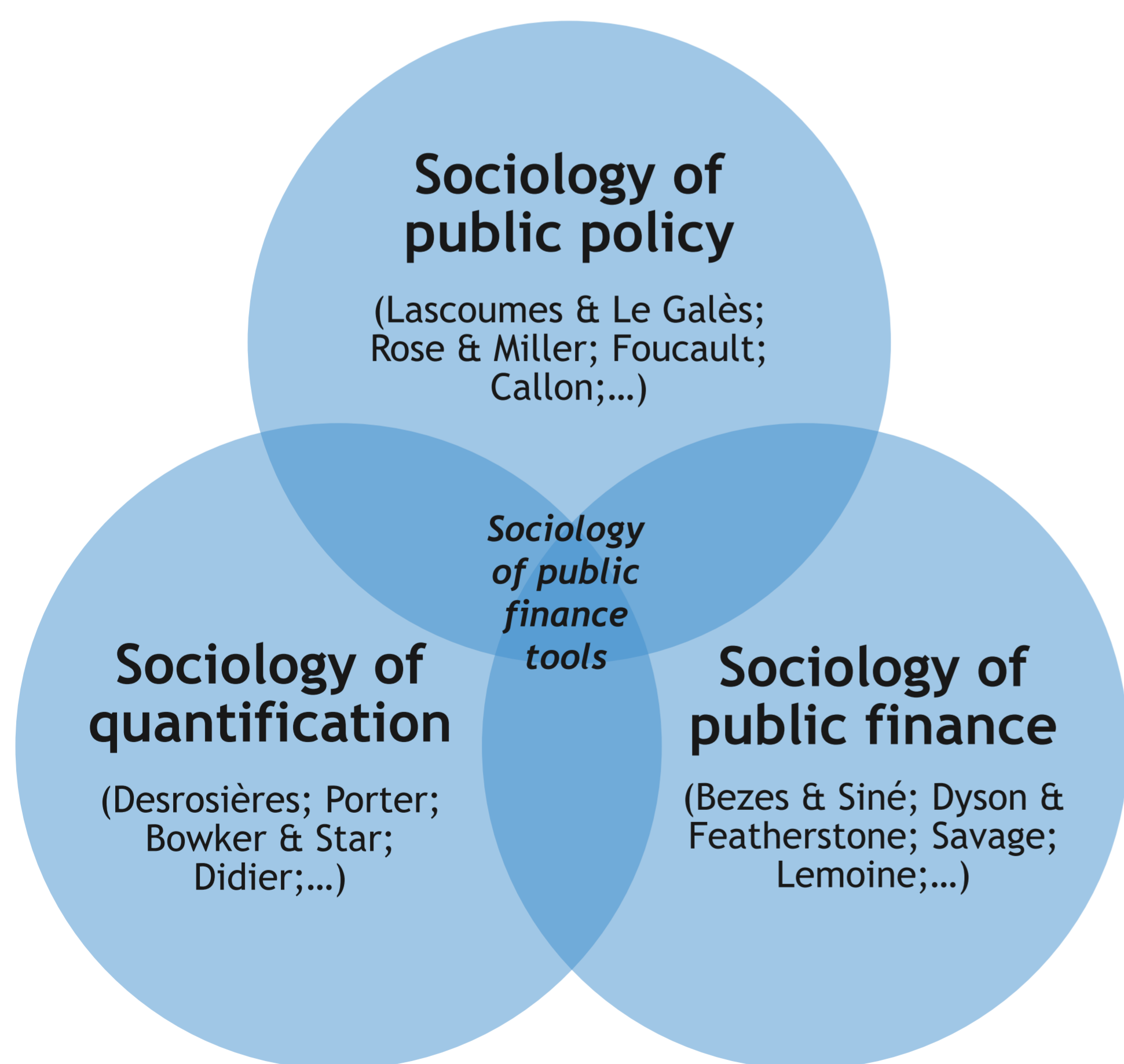
In spite of the transversality of budgetary issues in public policy and the considerable political interests at stake, public finance analysis remains underexplored by social scientists.

By emphasizing the **technical and social properties** of selected public finance tools as well as their structuring political effects, I intend to study (1) the changing **balance of power** between levels of government in Belgium and (2) the constitutive features of **regional political spaces**.

In order to achieve these goals, **in-depth case-studies** combining various qualitative methods such as extensive documentary analysis and semi-structured interviews with key informants (especially senior civil servants) are conducted.



Theoretical framework for the study of public finance tools



First case study: the implementation of ESA standards in Wallonia and Flanders

Since the signature of the Maastricht treaty, public deficit and public debt have acquired a central role in public finance. As many other indicators, they are both defined in a national accounting framework, the European System of national Accounts (ESA). Eurostat, the European statistical watchdog, has then been given the responsibility of interpreting ESA.

Its surveillance power significantly increased in the aftermath of the 2009 Greek statistical crisis. Consequently, a wide range of expensive **investment projects** implemented in the two largest Belgian regions (Wallonia and Flanders) were reclassified as public expenditures. This resulted in increasing deficits.

Through this case study, I address the following questions:

- ✓ What is the rationale behind these **indicators**?
- ✓ How do they affect regional budgetary practices?
- ✓ What are the **statistical definitions** of concepts such as “general government” and “public-private partnership” and how did they evolve through time?
- ✓ Through what process did Eurostat succeed in imposing its views on regional actors? How did the **media** report the news?



Next steps

- **Comparison** of Walloon and Flemish administrative spaces, practices of decentralization and off-balance-sheet financing methods
- Publication of a **book** on national accounting in Belgium
- **Second case study:** the regionalization of individual income tax