

Governing regions through public finance

Economics and accounting technologies in the service of neoliberalism

Damien Piron

F.R.S.-FNRS Research Fellow

Damien.piron@ulg.ac.be

Introduction

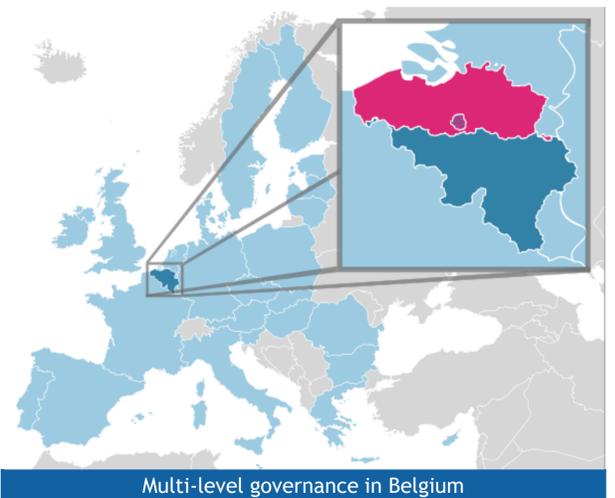
My PhD in political science studies how Wallonia and Flanders are being reshaped by two programmes of government in the field of public finance (ie the Economic and monetary union and Belgian fiscal federalism)

Research objectives and methodology

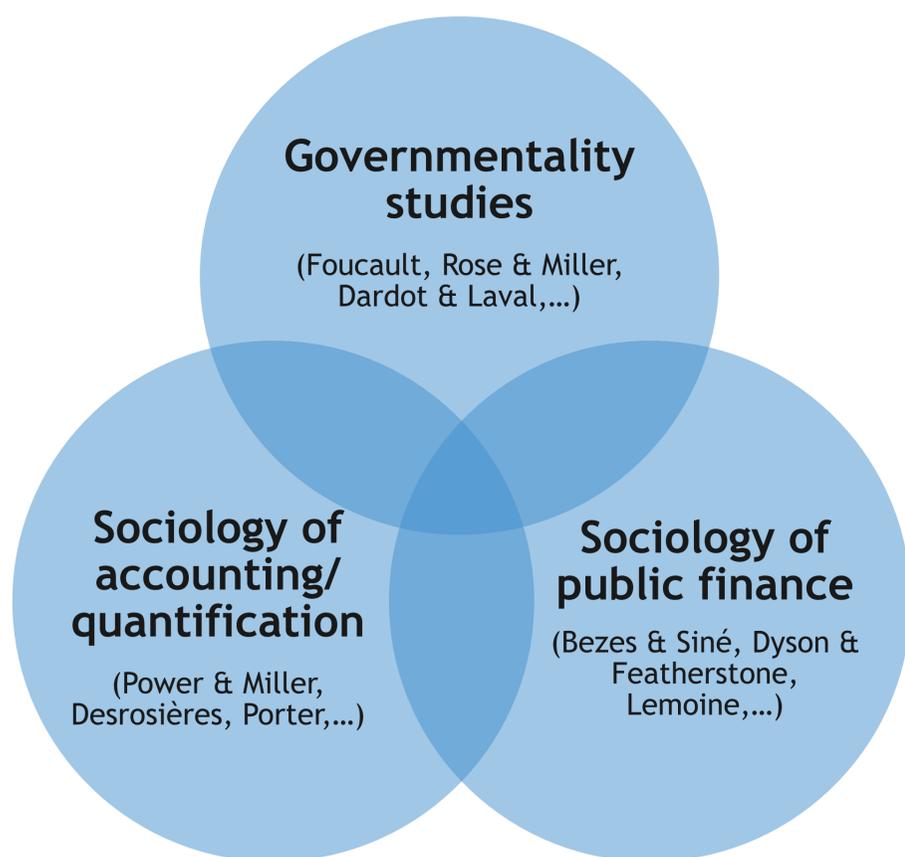
In spite of the saliency of fiscal issues and the considerable amount of political interests at stake, the field of public finance remains underexplored by social scientists.

By exploring the **technical and social properties** of selected public finance programmes and technologies, 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, I have conducted **five in-depth case-studies** combining an extensive documentary analysis and semi-structured interviews with key informants.



Theoretical framework



A glimpse at a case study: the implementation of ESA in Wallonia and Flanders

Since the signature of the Maastricht treaty (1992), public deficit and public debt have acquired a central role in public finance. As many other indicators, both concepts are 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 the 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