Figuring out public finance –
The politics of European statistical harmonization

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1) Introduction

- **Euro** as one of the most ambitious achievements of the EU

- Common monetary policy goes along with economic and **budgetary coordination**:
  - Public deficit $\leq 3\%$ of GDP
  - Public debt $\leq 60\%$ of GDP

- **How are these data figured out?**
  - ESA as harmonized framework
  - Eurostat as “center of calculation”
2) Literature review: the sociology of accounting

• **Constructivist perspective on accounting**
  (LSE: Miller, Hopwood, Power, etc.) → Interactions between accounting and its environment

A constructivist perspective on national accounting:

- National accounting figures are **inscriptions** (Latour)
  → How dense is the *network* in which they are embedded?

- National accounting is a **tool of government** (Foucault)
  → How does it shape the ‘*conduct of budgetary conducts*’?
3) Context of the case study

- Strengthening of the **European statistical apparatus** after the second Greek crisis (2010):
  - (Quasi-)auditing powers
  - Significant increase of staff: from 15 to 65 people
  - Ability to fine countries for misreporting of statistical data

- Controversy: **how to figure out Wallonia’s public debt?**
  - Walloon government: legal approach → € 6,2 bn in 2012
  - CoA: economic approach → € 11,2 bn in 2012

- Outcome: **reincorporation of Wallonia** within the European statistical network → Effect?
4) Discussion: Wallonia reshaped by national accounting

Reintegration within the EMU and its fiscal framework

- Wallonia as a “dunce” \( \rightarrow \) How to react to this new “fact”?
- Austerity measures: spending cuts, delayed investments, etc.
- Playing at the margins of accounting: privatization and marketization

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Public sector</th>
<th>Private sector</th>
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<tbody>
<tr>
<td>Non-market output</td>
<td>General government</td>
<td>NPISH</td>
</tr>
<tr>
<td>Market output</td>
<td>Public corporations</td>
<td>Private corporations</td>
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- Sales > 50% of costs
- Competition
5) Conclusion

• Statistical harmonization is the result of **hard-fought struggles:**
  - Strengthening of a genuine statistical architecture at European level
  - Controversy about public finance statistics in Belgium

• **Main effect** of the incorporation of Wallonia within the European statistical network?
  - Reintegration of Wallonia within the (orthodox) EMU: incentive to privatize and/or marketize public service delivery

• Need to pay closer attention to the interactions between mundane calculative practices and public policies: **numbers are much more than ‘facts’**
5) Conclusion
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