THE POLITICS OF NATIONAL ACCOUNTING – ASSESSING WALLOON PUBLIC DEBT

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Introduction

- Piketty (2013, 2014): “social scientists in other disciplines should not leave the study of economic facts to economists”

- **Aim** of the thesis: public finance and *distribution of power*

- **Theoretical frame**: sociology of public action
Introduction

Walloon public debt at 31/12/2012 (in billion euro)

- Government (09/13): 6257
- NAI (09/13): 8671
- CoA (12/13): 11238
- NAI (09/14): 18304
Introduction

- How can this gap of **more than 12 bn €** be explained?
  - Technical factors: about 6,5 bn €
  - Still a gap of more than 5,5 bn €...
  - **Struggle** between Eurostat and the Walloon government: what is the **definition of « public debt »** ?
Two definitions of public debt...

What consolidation perimeter?

ESA95

Eurostat (ESA95)
Gross public debt (Economic reality)

Walloon Government
Total public debt (legal reality)

11,2 bn €

6,3 bn €

Investment vehicles

1

(ESA 2010)

(18,3 bn €)
The process of translation

- **Actors followed**:  
  - Eurostat  
  - The Walloon Government  
  - The NAI  
  - The Court of Audit

- **The four moments of translation**:  
  1) Problematisation  
  2) Interessement  
  3) Enrolment  
  4) Mobilization of allies

→ **Actors construct reality by constructing networks**: the more a network is **expanded and dense**, the more it is real
1st moment: problematisation

- **Questions** raised by Eurostat: is Wallonia’s *consolidation perimeter* exhaustive? Does Wallonia *strictly* comply with ESA standards?

- What would be the result of a *systematic* analysis of the Walloon public debt through ESA standards?

- Need to create a *network of allies* in Belgium
Several actors, **unequal success:**

- **The NAI (dialogue visits):**
  - **Problem:** lack of resources
  - Until 2014: *case by case* analysis and requalifications

- **The Walloon Government:**
  - Meeting in 2012
  - No fundamental change ➞ enrolment failed

- **The Court of Audit:**
  - Different but close mission: cooperation with NAI?
  - Audit on Walloon debt (2013) ➞ enrolment succeeded
### Wallonia’s gross public debt at 31/12/12 (CoA 2014: 194)

<table>
<thead>
<tr>
<th></th>
<th>Amounts (in mn euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1) Region’s long term debt</strong></td>
<td></td>
</tr>
<tr>
<td>a) Direct debt</td>
<td>5.459,9</td>
</tr>
<tr>
<td>b) Indirect debt</td>
<td>797,0</td>
</tr>
<tr>
<td>c) Other operations (FADELS’ debt and Financial leasing operations)</td>
<td>871,8</td>
</tr>
<tr>
<td><strong>2) Consolidated institutions’ long term debt (delegated missions)</strong></td>
<td>1.301,3</td>
</tr>
<tr>
<td>a) Consolidated institutions’ debt</td>
<td>1.257,3</td>
</tr>
<tr>
<td>b) Financial leasing operations</td>
<td>44,0</td>
</tr>
<tr>
<td><strong>3) Region’s financial commitments (alternative financing)</strong></td>
<td>2.808,0</td>
</tr>
<tr>
<td>a) Towards CRAC</td>
<td>2.197,4</td>
</tr>
<tr>
<td>b) Towards Sowafinal</td>
<td>610,6</td>
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<tr>
<td><strong>Total</strong></td>
<td>11.238,0</td>
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4th moment: mobilization of allies

- Reactions?

- **Eurostat** (February 2014 visit): in-depth analysis with the NAI

- **NAI**: massive *reclassification* of units

- Walloon Government:
  - Second meeting with Eurostat: threats of reservation « atomic bomb »
  - affected by the mobilization of the « ESA network »
Conclusion: the ESA network

- ESA 2010
- PPP
- Delegated missions
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