

40 ans de politique fiscale et parafiscale en Belgique (1970-2010)

Effets de composition et impulsions discrétionnaires en recettes publiques: une synthèse théorique et appliquée au cas belge

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ABSTRACT

This study has as main analytical topic the breakdown of the global tax burden developments between non discretionary incidences (the so-called “composition” or “structure” effects) on the one hand, and “discretionary” impulses relating to the fiscal and parafiscal policy, on the other hand.

This breakdown at the aggregate level is based on the globalisation of partial results already obtained and published to date, within an identical methodological and theoretical framework, per main and broad categories of public revenues.

A first conceptual and methodological part explains the theoretical background of this breakdown and the empirical approach developed here in order to develop and quantify a new “primary structural budgetary effort” indicator, in particular with respect to public revenues. It also more broadly compares the new methodology which is here adopted and used with other more traditional approaches as regards “structural or cyclically corrected budgetary balances”. In many cases, on the basis of those traditional structural fiscal indicators, it is indeed *not* possible either to measure correctly the discretionary budgetary or fiscal *efforts* stricto sensu (expansive or restrictive impulses), or to separate and quantify distinctly the respective “revenues” and “primary expenses” components of those global budgetary efforts.

The conceptual proposed approach used here makes it feasible to measure the extent of non discretionary – and non-cyclical - macroeconomic “composition effects” on the revenue side. This factual analysis also confirms our theoretical hypothesis that there is no significant correlation between the aggregate cyclical developments and the effective aggregate tax burden developments. From an empirical point of view, we can identify, within a framework of unchanged fiscal or parafiscal legislation, the occurrence of multiannual periods characterised by persistent composition or “structural revenue” effects. Those are, as far as public finance is concerned, sometimes favourable (as in the 70’s, the respective periods of 1988-1993, 1996-2001, 2005-2008), sometimes unfavour-

able (strongly in 1981-1988, to a lesser extent in 1993-1996, 2001-2005). On the whole, the non discretionary ex ante global elasticity of the tax burden remains significantly higher than 1, however with a visible weakening of this elasticity at the end of the period.

Finally, the approach developed here makes it possible to identify and quantify in the last 20 years a very clearly restrictive fiscal discretionary episode (+3.9% of GDP) on the public revenue side in 1992-1998. This is symmetrically followed by a quite strongly and long expansionary period (a discretionary *decrease* of the global tax share up to 5.4% of GDP) over the years 1999-2010. This expansionary orientation on the revenue side explains in a large manner the massive deterioration of the Belgian effective structural primary balances in the same period.

Keywords: tax policy, government receipts, structure effects, discretionary impulses, public finance, elasticity, Belgium

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