

ANALYSIS OF THE SOCIO-ECONOMIC IMPACT OF PUBLIC EXPENDITURE IN THE DEMOCRATIC REPUBLIC OF CONGO

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Abstract:

In the current context of fiscal consolidation in the States of Sub-Saharan Africa and there is a close link between public spending and economic growth. As a result, this article focuses primarily on the socio-economic impact of public spending in the Democratic Republic of Congo. Estimates show that public spending may be negatively impacted in this country, and strategies will have to be found to finally change this negative to positive impact in the Democratic Republic of Congo. The operations of using these resources are carried out by that institution with a view to guaranteeing the country economic and social stability. In particular, it is a question of explaining the influence of the composition of the public expenditure on the economic growth in this country, especially as the socio-economic situation on the spot deteriorates from the day to the day notably by a very high rate of unemployment. lack of basic infrastructure, scarcity of water and electricity, non-rehabilitation of public buildings, etc.

Classification JEL : H50, C23, O40.

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INTRODUCTION

1. Problematic

In every state in the world there is always an institutional organization to manage public resources. In this case the operations of using the resources for its realization are ensured by the said institution in order to guarantee the country economic and social stability and also the promotion of business.

However, given the reality we experienced, we found that the socio-economic situation of the Democratic Republic of Congo leaves something to be desired by: - a high rate of unemployment, - insufficient basic infrastructure

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(roads, social housing) , schools, hospitals, etc.), - scarcity of water and electricity, - insignificant salaries paid to civil servants, - non-rehabilitation of public buildings, etc. We asked ourselves whether this instability is due to lack of budget forecast or Mantue of control over the execution of public expenditure in this country? Consequently we have observed that at least every year the Congolese State has a budget and by the financial law it determines the modalities of the exercise and the control of this budget. Without discussion we are of the opinion that the implementation of the budget can have several effects on the national life of a country, this is the socio-economic impact of public expenditure in the Democratic Republic of Congo. The question therefore arises: how are public expenditures affected and what are their effects for the population? We did not hide that this is the question that is the focus of our work.

2. Hypothesis of the work

In the Democratic Republic of Congo the financial law in its article 103 confers on the Minister of Finance and the persons specially delegated by this Ministry, the competence to engage and to liquidate within the limits of their possibilities (credits) budget which are granted to them the expenses public services necessary for the operation of their service and make them responsible for commitments they contract in violation of the legal and regulatory provisions and also in excess of these possibilities (credits) budget. Unfortunately in this country, the gap between the good intentions proclaimed by the authorities' texts and the reality is considerably large. Therefore, this situation has a negative impact of public spending on the life of the population. In guide of those mentioned above we have formulated questions below:

Why do public expenditures have a negative impact in the Democratic Republic of Congo? What are the possible strategies considered to prevent or make a positive impact? So many questions we will answer with reference to the law, doctrine and practice.

3. Methods and techniques used

3.1. Methods used in this work

The existence of methods gives a work its scientific character. As far as our study is concerned, we have resorted to legal and sociological methods. The legal method has helped us to interpret the law and the legal effects that are linked to it, but as for the sociological method which is based essentially on the observation of the facts, it allowed us to grasp, that is, to understand the socio-economic situation of the country.

3.2. Techniques used

The technique is defined as the set of means and procedures that allow the researcher to gather data and information on his research subject. It is understood as a set of well defined procedures and rigorous processes that can be applied again under the same conditions adapted to the genre of the phenomena in progress. In this study, we used two techniques: documentary technique and questionnaire.

3.2.1. Documentary technique

For our study we used the documentary technique is that which is oriented towards a systematic search of all that is related to the field of research that is to say all that constitutes the written source of a theme of research. It consists of the use of written documents with a connection to the chosen subject. Some authors call the documentary technique the review of the literature of a field. During the research, we consulted books, reports, articles, websites and other documents related to our subject.

3.2.2. Questionnaire technique

This technique involves developing a questionnaire for the target population, specifically samples of this population in order to respond in writing to the questionnaire. This must be well studied in advance and will have to leave sufficient space between the questions for possible answers and comments of the people questioned. For example, we developed a questionnaire for a number of Democratic Republic of Congo's members of government.

These people were able to answer the questionnaire and their answers allowed us to gather rich and spontaneous information, more raw and more fresh necessary for our work. With this technique, we used open questionnaires and closed questionnaires.

4. Interest of the subject

This work is of dual interest. On the political or operational level, the interest is to provide an additional tool for public decision-makers. Tool (evaluation of public policies) that we consider very indispensable insofar as, some so-called developed economies use them abundantly, and even in the Anglo-Saxon countries the interest is a culture sufficiently anchored in the mores of the decision-makers.

On the theoretical level, however, the interest is to be situated on the deep debate between liberals and the current interventionist public policy, appreciating the interventions of the state in the socio-economic life of the population.

5. Delimitation of the subject

This work essentially defines the contours of government action in terms of the commitment of public expenditures, which ensure the well-being or proper functioning of the population.

6. Subdivision of work

This work is organized around two parts:

- The first part describes and presents the theory on public expenditure;
- The second part examines in detail the socio-economic impact of public spending in the Democratic Republic of Congo.

Part 1. Public Expenditure Theory

The problem of the content of public expenditure, which prefigures that of their impact or their relevance, is fundamental. It is quite natural for the state to treat a civil servant. This means, for example, that the state pays an entrepreneur who has built a router. It grants a subsidy to an exporter. He gives a pension to a veteran. He buys weapons from a foreign nation. In all these situations mentioned above, there is public expenditure. By observation we find that a certain amount of money will come out of the treasury, and it will be necessary that this sum enters the fund by several different means. But at first sight it is felt that this expense does not have the same meaning and the same significance in all the above-mentioned hypotheses. Take the case of payment (or salary) of an official. This does not imply any intervention of the State in the economic life, whereas the export subsidy constitutes by itself an intervention of this kind: the economic difference between these two expenses is considerable.

In addition, we can say that the equation that has the appearance of being insoluble is the following: a deficit is unhealthy, especially because it increases the debt, so its burden of repayments, including interest that largely depends on the markets; to limit it or to make up for it, it is necessary to increase the resources or reduce the expenses; when revenue growth appears limited or impossible, expenditure must be addressed; but to reduce expenditure, beyond the very difficulty of the exercise, provokes a deflationary effect which also limits the revenues and thus tends to increase the deficit ... Thus the vicious circle is closed again. And everything lies in the bet of dosing. The liberal bet is that the decrease in spending will allow a lower tax burden, therefore increased competitiveness of companies, therefore their growth and consequently rebalancing and reduction of the final debt; the interventionist bet is that the revival through investment will result, with constant taxation and thanks to the growth thus found, higher revenues that will reduce the deficit.

In any case, "public expenditure" must be questioned; under the liberal doxa, they are even the only ones involved, since any deficit is reprehensible. In fact,

any tax is, almost by definition, harmful, whether it weighs on demand or, worse still, on corporate expenses and undermines their competitiveness. We must therefore shout about public spending, and it is even easier that no one can nor should challenge the search for their efficiency or good management. One of the paradoxes of this research and the polarization of expenditures is in the very vocabulary of this problem, starting with the word "public expenditure". For public expenditure, as we shall see, is only a legal title which refers to abstract entities which are precisely but conversely at the service of the public. A "public expenditure" is indeed, subject to its proper use as it goes of any action, a "recipe", ie a profit and not a cost for the user or the beneficiary, since it ensures a free service or a service, in cash or in kind, which is issued to him. Public expenditure is therefore not for the person concerned a charge; on the contrary, it leads to a profit. Thus the vocabulary, from the point of view of the public manager of a budget, reverses the meaning in the mind of the listener. The word used makes him believe that he is deprived of a resource which he would benefit if the "expenditure" was reduced.

1.1.The notion of public expenditure

Public expenditure is the sum of the expenditures made or made by the State, the social security administrations, the local authorities and the public administrations and bodies attached to them. Their financing is provided by public revenues (taxes, taxes, and social security contributions) and by the public surplus. Public expenditure is the expenditure made by the State, the social security administrations, the local authorities and the administrations and bodies attached to them. They can be classified into three broad categories:

1. operating expenses, which are used for the running of public services (current expenses of personnel and maintenance, purchase of supplies ...);
2. redistributive expenditure: cash benefits paid to households (eg retirement pensions, family allowances, minimum social benefits, etc.), subsidies paid to businesses and households;
3. investment expenditure, which aims to renew or increase public productive capital (eg research and development expenditure, arms purchases, building and infrastructure construction, etc.).

Public expenditure therefore comes first from a conventional legal definition: it is the expenditure, according to a standard accounting system for international comparisons, initiated by a "public administration", the said administration also falling under normed scope mixing public law and private law, according to conventions that are the result of varied compromises, because it is necessary to draw the boundaries of a perimeter. Without these conventions, no comparison in time would be possible, but the ideological stake of the notion of public

expenditure is such that it is tempting for many governments to use the rules to obtain better results.

This instrumentalisation is all the more tempting as the Maastricht Treaty, supplemented by the 2012 Fiscal Compact, has defined arithmetical deficit thresholds, hence a balance between revenue and public expenditure, which set European intervention procedures and whose economic reach is constantly under debate. In fact, the procedure invented by the European treaties partially obscures all the other debates on employment, growth and their "sustainability". The report analyzed here is of course consistent with this institutional game.

We must therefore try to clarify the scope of "public administrations" first. The so-called "precise" definition presented by the report (public bodies that provide "essentially" non-market goods and services and non-profit institutions, controlled and mostly financed by public administrations) leads to a dividing line that "is not always easy to draw", within the four sectors that compose them, State, various organizations of central administration (VOCA), local public administrations (LPA) and social security funds (SSA). Within each sector and between each of them, conventions must decide which organization is classified and in which category. This work, necessary, makes it necessary to relativize the results by avoiding to transform them into irrefutable data.

The concept of public expenditure developed and specified by the report leads to the same circumspection: the expenditure, accounting concept, is not indeed a "cash flow", as might suggest in everyday language, but a decrease in financial assets (for example, consideration for a road investment) or an increase in a financial liability (through the receipt of a loan, which will have to be repaid later). Thus, purely financial operations (acquisitions or sales of securities, capital allocations, are not recorded in public expenditure, nor tax cuts (tax expenditures ..) .But a debt cancellation, granted by the lender, will be an expense. On the other hand, the levies on receipts (especially for Europe or local authorities are considered as expenses by national accountants. Therefore we are far enough from the budget accounts and the interpretation of the data is not find it not easy.

1.1.1. The nature of public spending

The most important development concerns the very nature of public expenditure, envisaged in their economic consequences. Whereas the classical financiers considered public expenditure as a consumption, and consequently attributed it to a destructive character, the modern financiers consider it essentially as a simple transfer of wealth which makes it change hands, but does not destroy it. the substance.

The classics thus appear to consider the State as being exclusively a consumer of goods: by its expenses, it takes a part of the goods which are at the disposal of the nation, and it consumes them, that is to say it destroy them. But

economically, its expenses constitute not less a levy on the national income and an impoverishment of the community, whose members thus have less goods to be shared. For the current financiers, the State can be either the creator of the rich, if it rationally manages its budget, or the destroyer of the economy and the social, if it devotes itself to expenditure beyond the ceilings fixed by the budget. It all depends on his concrete behavior on the ground.

Categories of public expenditure

The importance of classifying public expenditures is crucial since the nature of an expenditure is now considered as an essential element of the financial problem. The administrative point of view becomes secondary, as a basis of classification, for the benefit of the economic point of view: it seeks to apportion expenditure, no longer according to the categories of ministerial departments and public services, but according to their influence on life of the nation. Basically, we can distinguish administrative classifications and economic classifications. The former are based on the structure of the state, consider above all the national economic activity and the role of public spending in it.

1.1.2. Administrative classifications

Here, we distinguish the organic or formal classification of the functional classification.

a) Organic or formal classification

The presentation of state expenditure was first modeled on the administrative nomenclature of the various public services. The old budgets were thus established on the classification of the ministries, the expenses of the legislative assemblies and the presidency of the Republic (which did not belong to any ministry) being classified under the heading "public authorities". Within each ministry, there was the distinction of the various "directions", and then that of the expenditure of personnel, material, works, etc.

To this essential organic classification, can be added various formal classifications, based on the diversity of legal regulations of the expenditure. For example, general budget expenditure, ancillary budget expenditure, provisional expenditure (loans and advances); annual expenditures and authorized expenditures for several years (program authorization); etc.

b) Functional classification

The idea of a functional classification is much more recent: it corresponds to the modernization of public finance concepts. In order to realize exactly the role of the State in the various fields of human activity, expenditure will be classified according to the cost of the various "functions" it exercises. We will distinguish

for example the function of general administration, that of national defenses, the social action, etc.

1.1.3. Economic classifications

The functional administrative classification is an economic classification, when the table of "functions" of the State which serves as its basis is itself established according to the various kinds of economic activities: industry, agriculture, transport, etc. Two other classifications are more precise.

a) Actual and transfer expenditures

Some State expenditure is consumption: the State buys goods and services for its use, much like an individual would do: automobiles, typewriters, furniture, etc. Other expenses correspond to salaries paid to civil servants, to persons from various public enterprises, etc. Others are interest paid by the debtor State to its bilateral or multilateral creditors (interest on the public debt). This first category of expenditure corresponds to the life of the public services, to the activity of the administrations.

Other expenses correspond to a simple transfer of income from one sector to another. This is the case, for example, of social security expenditure or assistance expenditure, or of subsidies to private activities or enterprises.

b) Operating and Capital Expenditures

The operating expenses are the current expenses necessitated by the march of the public services and the life of the State: payment of the personnel, maintenance of the equipment etc. They do not imply any transfer of capital from the private sector, they only concern the use of the revenues of the State and the nation. On the contrary, the capital expenditure concerns the nation's wealth, its capital and not its income: these are, for example, investment, equipment, reconstruction, construction, etc.

Note, however, that operating expenses are also known as ordinary expenses. On the other hand, capital expenditures are called extraordinary expenses.

1.1.4. The classifications used in the Democratic Republic of Congo

The preparation and execution of the state budget in the Democratic Republic of Congo is subject to a nomenclature containing accounts to identify the budget appropriation through elements such as the management center, the type of budget (eg current receipts or receipts). for order), the budget year, the nature of the revenue (article and paragraph) the generating service, the destination of the expenditure, etc. Until 1988, there existed in the Democratic Republic of Congo a nomenclature of Belgian origin, very simple, which presented revenues and expenditures by generators or spenders (administrative classification).

From 1988 onwards, a French-inspired reform has taken place, the objective of which, at the level of receipts, is the consolidation by large, homogeneous

groups of economic receipts) in order to provide a light that allows decision-makers to perceive the relationship between tax policy and economic activity and at the level of expenditure, a detailed definition of the nature of the expenditure and its functional purpose (classification administration).

So, all things considered, say with Ahmed SILEM and Albertini, that the main categories of public expenditure are as follows:

- The production of collective and non-collective goods and services by public enterprises and non-market sector administrations;
- Subsidies and various loans made by the public authorities to various sectors of activity (industry, agriculture);
- Social transfers or redistribution;
- Debt service.

1.2. The amount of public expenditure

The increase in public spending is a general phenomenon: in all the countries of the world, since the beginning of the year, state expenditure has tended to increase. Over short periods, stagnations or setbacks can be observed; but, considered for long periods, the curve of the public expenditure is almost always ascending. Ahmed Silem and Albertini (JM) recognize this phenomenon of continuous increase in public spending, so "Even in all Western economies, there is, over the long period, an increase in the volume of public expenditure, reflecting the growing weight of state intervention either as producer or redistribute. The question arises whether this increase in public expenditure is unlimited, or whether there is a ceiling that can not be exceeded.

In the Democratic Republic of Congo, the increase in public spending had become unavoidable because of the continued depreciation of the Congolese franc. This explains the astronomical figures that characterize public spending from one year to the next. To this must be added the anarchic creation of public services and the non respect of the principles of basic budget management. However, this situation has stabilized with respect to the year 2001, when cash-based management was introduced.

1.2.1. The phenomenon of increasing public expenditure

The evolution of the Congolese economy has been characterized in recent years by the deterioration of the fundamental balances, particularly the rate of inflation, the exchange rate, the real level of monetary financing of the treasury as well as the erosion of the prices of the principal export metals. This deterioration in growth prospects is also attributable to certain endogenous factors, notably a significant drop in production and the deterioration of road and road infrastructures. For example, public expenditure amounted to Z.2.357.049.870.719, Z.4.607.012.492, Z.214.385.632.223.124 respectively for the years 1990, 1991 and 1992. In fact, if we convert these amounts in a strong

currency, there will be a relative stagnation of public spending. (NB: these figures are taken from the report of the Finance Commission of the NS).

a) Measuring the increase in public spending

In reality, the increase in public spending is less important. The aforementioned figures are not even orders of magnitude because they do not designate identical realities. To make them comparable, they must undergo a series of corrections.

b) Real growth and apparent growth

An essential factor is to be considered in this respect: the variations of the value of the currency[BOUQUIN H., 1992, p. 58].

c) Changes in the value of the currency

Given the considerable and continuous depreciations that our currency undergoes, it is necessary to correct the preceding figures and to express them in "constant currency". Frequent confusion in this field will be avoided in public opinion, which has not yet fully understood that the value of money has little to do with its theoretical definition in relation to gold. In reality, depreciation (a decline in the effective value of the currency) and devaluation (a decrease in the legal definition compared to gold) do not always coincide, as one may be early or late in comparison with the other. other and may also be weaker or stronger. Today, the definition with respect to the metal has no more meaning and only the variations of the prices, that is to say of the purchasing power of the currency, must be retained. The example of public spending in the 1990s, 1991 and 1992 mentioned above is eloquent.

d) Absolute increase and relative increase

It is not enough to distinguish real growth itself, another fundamental distinction must be made between the absolute increase, as shown by the rectified expenditure figures, and the relative increase, relative to the whole of the production and national wealth.

a) Definition of relative growth

The notion of relative growth takes into account the evolution that has been achieved in parallel with that of public expenditure in other sectors of national life directly related to expenditure the size of the population and the extent of the territory, the total volume of the production and its incomes[Mankiw G. N., 2003, p. 62].

b) Importance of the population and the extent of the territory

The total public expenditure must always be related to the size of the population of the state and the extent of its territory. To the extent that both

increase, government and administrative expenditures should increase correspondingly. The DRC of 1960 with its 15 million inhabitants, obviously spent less than the current DRC with its 60 million. Although the increase in expenditure is not purely fictitious here, the fact remains that no real comparison can be made between the budgets if the necessary corrections are not made. It can therefore be considered that there is no real increase in expenditure, since the difference is the consequence of the increase in population or territory.

c) Overall volume of population and income

Suppose two countries of the same population and identical territory. If production is twice as developed in the second as in the first, if the amount of real incomes of its citizens is twice as large, it is quite obvious that identical public expenditures will not have the same meaning and same influence.

The remark applies to the same country at different times, assuming that output and incomes have remained stable while public expenditure increases. It is thus essential, to have a precise view of the increase of the public expenditure and its influence on the national life, to compare this increase with the economic evolution of the country [Longatte J. and Vanhove P., 2001, p.7].

1.2. Causes of increased public spending

The increase in public expenditure is basically caused by (the development of the role of the State, technical progress, especially this military matter, the evolution of the notion of public finances.

a) The development of the role of the State

All state activity entails an expense, the state's assumption of a new activity naturally increases public expenditure.

Forms of the development of the role of the State

The development of the role of the State takes two distinct forms: transfer of the private sector to the public sector of an existing activity, on the one hand; public sector ownership of new activities, on the other hand. Sometimes the satisfaction of a social need, until then assured by a private organization, had to be taken over by the State, because it was no longer accepted that private individuals could carry on an activity of this kind. Thus the state police replaced private militias; public schools were created next to private schools; public schools were created next to private schools. The nationalization movement is only one manifestation of this general trend.

The pace of development of the role of the State

Since the end of the Middle Ages and the decline of feudalism, the role of the state tends to develop generally. However, there have been backrackings,

periods when the State has abandoned activities that it had conquered the decline of mercantilism for example, and appearance of the physiocracy and then of Manchesterian liberalism have tended to restrict the activities of the 'State. On the other hand, until the beginning of the twentieth century (until the 1918 war) the pace of development of the role of the State was rather slow overall, apart from a few brief and exceptional periods. On the contrary, from the first world war there is a change of pace. It is even clearer with the great economic crisis of the 30s and the second world war. The role of the state is developing with a rapidity and an unknown extent, even if we put aside the former communist countries whose economy was 100% state. In Zaire, the creation of a party-state in 1967 with the purpose of governing everything, has tipped all activities in the state sector.

This change of pace is explained both by a change in doctrines and an evolution of manners. The old liberal theories of the nineteenth century, which confined the government in as narrow a field as possible (army, police, justice), gave place to the interventionist doctrines, very varied indeed in their nuances (from a market economy simply oriented to integral statism), but identical in their general tendencies to entrust the State with new tasks, either by the substitution of administrative bodies for private enterprises, or by a support (doubled by a control) with regard to these same companies. In terms of morals, the idea of "socialization of risk" seems to play the essential role: it leads to the conception of "the welfare state", responsible for ensuring a minimum of well-being for each of its citizens. The result of this double movement, doctrinal and moral, is first of all a multiplication of the number of public services, from which a parallel increase of administrative expenses is born. But we must also note the development of expenditures made by the State outside the operation of public services themselves, for example in the form of subsidies or allowances to private companies, which come to swell the volume of the budget.

It should be noted, however, that the current movement seems to be in the direction of reducing the role of the State which has been unable for years to take over all the services it has created.

b) Technical progress and military expenditure

In the twentieth century, military expenditure increased considerably because of technical progress. In the Congo, since the dawn of independence, the country has experienced unrest and secession movements that have required the mobilization of many soldiers: secession in Katanga and South Kasai, rebellion in the east of the country and in Bandundu, occupation by foreign mercenaries ...

Subsequently, the country was confronted with the wars of, SHABA I and SHABA II, as well as external threats due to the existence of the state of permanent belligerence with the neighboring countries (Angola, Rwanda, Uganda, ...). This is the case of two wars of 1996 and 1998 where we saw the

presence of several armies on Congolese soil. For these reasons, military expenditures tend to absorb a large part of State expenditure, although this varies considerably between periods. From this point of view, the security situation is characterized in 2008 and 2009 by the worsening of the security and war situation in the east of the country, whose budget forecasts are around 20,000,000,000 CDF.

Generalization of the phenomenon: Technical progress and public expenditure

The army and the military domain have always been considered as returning to the activities of the state. It is not the extension of the powers of the state, but the transformation of their conditions of exercise which increases public expenditure in this field. This transformation is essentially due to technical progress, which makes modern weapons infinitely more expensive than the old ones. This cause of development of public expenditure is not limited to the military field; it has a general character; it applies to all activities almost all state services use devices invented by modern science mobile phone, internet, automobile, central air conditioning, broadcasting, computer in administrative management, etc.

c. The evolution of the concept of public finances

The third factor of development of public expenditure, may be less important than the others, however has a great influence. To a certain extent, it is also linked to the development of the role of the State because the evolution of the concept of public finances is partly the consequence of the evolution of the conceptions of the State and its functions. Promoting the well-being of everyone.

The ceiling of public expenditure

Can the increase in public spending be unlimited? Or is there a ceiling beyond which the increase in spending endangers the structure of the state and the life of the whole nation?

It is true that taking into account, on the one hand, the evolution of the wealth produced in the country from year to year, and on the other hand, the inevitable increase of prices on the market, the expenses of the State will always know a constant increase. However, the current idea is that expenditures can only be made in proportion to revenue collected and following the chain of expenditure. Some terms commonly used in public expenditure:

- Ordinary expenses: these are operating expenses, which are covered by regular resources;
- Capital expenditure or investment expenditure: These are those relating to public investment Works;

- mandatory and inescapable expenditure: those that must absolutely be done, whatever the situation of the Treasury account. These include, for example, staff salaries, rents payable and public debt service;
- optional expenses: these are non-compulsory, which can not be realized without the State suffering from it. These are operating expenses (service missions, office supplies, organization of seminars, etc.);
- unproductive expenditures: those that are exaggerated and that conceal dilapidations and other misappropriations;
- Incompressible expenses: That one can not reduce or decrease (ex rents).

Part 2. The socio-economic impact of the expenses

2.1. Analysis of the evolution of public expenditure

This analysis will consist in appreciating the weight of the public sector in the economy of the country and the social of the population. In our study this weight will be appreciated in relation to the different expenses as distributed in the State budget. The period chosen for the evaluation is that from 2003 to 2010 because of its availability.

As indicated in the various tables below, the total volume of public expenditure has shown a growing tendency in spite of the prevailing economic situation. The evolution of public spending has followed the same policies as budget revenue.

- As regards staff costs, two phases emerge from its evolution, namely: a first phase of expenditure decline from 2003 to 2004, the second phase of expenditure growth from 2005 to 2010. From CDF 65,858,497 in 2003, personnel expenses have grown considerably in 7 years to reach 795.1 billion FC in 2010;
- With regard to the expenditure of Goods and materials, three phases are to be noted in its evolution namely: a first phase of growth of expenditure from 2003 to 2004, a second phase of regression of expenditure from 2005 to 2006, a last phase growth from 2009 to 2010. From 28,458,660,414 in 2003, expenditures for Goods and Materials fell to 30,426 million in 2006, to grow exponentially between 2009 and 2010 (from 44.1 billion CF in 2009 to 66.6 billion FC in 2010);
- Finally, with regard to construction, renovation, rehabilitation, addition of works and buildings, real estate acquisition; Two phases emerge from its evolution, namely: a first phase of regression from 2003 to 2004, a second phase of erratic variation with a more bullish trend than from 2005 to 2010. These expenditures went from 40,048,543,248 FC in 2003, to grow exponentially between 2009 and 2010 (786.2 billion FC in 2009 to 1.877.4 billion FC in 2010).

2.1.1. Staff costs

Staff costs include pay for activities, contributions and social contributions, social benefits and various allowances.

These expenses have evolved as follows:

- - 2003: CDF 65,858,807,497 against CDF 69,137,777,619 of the voted budget, ie a regression rate of 5.8%;
- - 2004: CDF 92.255.175.861 against CDF 94.132.610.062, a regression rate of 2.0%;
- 2005: CDF 143,494,589,036 against CDF 92,255,175,861 of the 2004 Budget, representing a growth rate of 55.5%;
- 2010: CF 795.1 billion, or 14.2% of total expenditure and a growth rate of 34.8% compared to oted 2009 Budget appropriation at CF 589.8 billion;

2.1.2. perty and materials:

These expenditures consist of the State purchasing the goods and materials to operate the public services. These expenditures have an impact on the social because its realization benefits the population in the sense that it is the population who is the first beneficiary of the actions of the Government:

- 2003: CDF 28,458,660,414 against CDF 21,772,364,589 of the Budget voted, an increase rate of 29.1%;
- 2004: CDF 45,454,184,412 against 43,456,804,909 in the 2004 Budget, representing a growth rate of 4.6%;
- 2005: CDF 33,086,881,219 against CDF 45,454,184,412 of the 2004 Budget, a regression rate of 27.2%;
- 2006: CDF 30,426 million.
- 2010: CD 66.6 billion, or 1.2% of total expenditures and a growth rate of 51.0% over
- 2009 voted budget of 44.1 billion FC.

2.1.3. Construction expenditures, repairs, rehabilitation, addition of structures and buildings, real estate acquisition

These expenditures have a direct impact on the country's economy and society:

- With regard to construction expenditures, these contribute to the economy and the social sector because its realization favors trade and increases supply: for example, the construction of roads; this allows the import and export of consumables.

- With regard to the rehabilitation, rehabilitation and addition of structures, these expenses directly affect the social life of the population in the sense that the population benefits from its realization: for example the rehabilitation of roads, rehabilitation military camps, the acquisition of houses for housing public officials, etc.
- 2003: CDF 40.048.543.248 against CDF 63,952,054,527 of the voted Budget, a decrease of 38.8%;
- 2004: CDF 48,122,176,164 against CDF 59,185,551,482 in the 2004 Budget, a regression rate of 18.7%;
- 2005: CDF 48,122,176,164 to the 2004 Budget, a growth rate of 174.4% ;
- 2006: CDF 142,472 million;
- 2010: CFAF 1,877.4 billion, or 33.5% of total expenditure and a growth rate of 138.8% compared to the Vote of the 2009 voted Budget capped at 786.2 billion FC.

Table 1, which we present in our text below, describes and illustrates in turn, the staff costs, the expenditures of goods and materials and the expenses of construction, repair, rehabilitation, addition of works and buildings, real estate acquisition in the Democratic Republic of Congo in the years 2003-2010.

Table 1 describes and illustrates the staffing costs in the years 2003-2010

YEAR	AMOUNT IN CDF	RATE OF INCREASE	RATE OF REGESSION
2003	65.858.807.497	-	5,8%
2004	92.255.175.861	-	2,0%
2005	143.494.589.036	55,5%	-
2006	-	-	-
2010	795,1 milliards	34,8%	-

Source: Developed by author based on Ministry of Finance data

Table 2 describes and illustrates the expenditures of goods and materials in the years 2003-2010

YEAR	AMOUNT IN CDF	RATE OF INCREASE	RATE OF REGESSION
2003	28.458.660.414	29,1%	-
2004	45.454.184.412	4,6%	-
2005	33.086.881.219	-	27,2%
2006	30.426 millions	-	-
2010	66,6 milliards	51,0%	-

Source: Developed by author based on Ministry of Finance data

Table 3 describes and illustrates the expenditures of construction, repair, rehabilitation, addition of works and buildings, real estate acquisition in the Democratic Republic of Congo in the years 2003-2010

YEAR	AMOUNT IN CDF	RATE OF INCREASE	RATE OF REGRESSION
2003	40.048.543.248	-	38,8 %
2004	59.185.551.482	-	18,7%
2005	48.122.176.164 (au Budget aménagé 2004)	174,4%	-
2006	142.472 millions		-
2010	1.877,4 milliards	138,8%	-

Source: Developed by author based on Ministry of Finance data

2.2. Effect of public spending on the well-being of the population

On this point we will evaluate and draw the consequences of the analysis made above in order to determine the effect of public expenditure on the well-being of the population; afterwards we will focus on finding the causes of the effect and propose some possible solutions.

Despite the wars and turmoil that have characterized the country in recent decades, we find that public spending has had a growing trend in recent years (2003 to 2010). The Congolese Government has constantly adjusted its budget to meet the needs of the population.

Unfortunately, there is a big gap between the figures on the Budgets and its realization on the ground. The country faces enormous difficulties: a high rate of unemployment, insufficient basic infrastructure (roads, social housing, schools, hospitals, etc.), shortage of water and electricity, poorly paid civil servants, no rehabilitation of public buildings, etc. this proves to great sufficiency that public expenditures have a negative impact in the Democratic Republic of Congo.

The report that we will discover below, shows us on a statistical basis what state is the socio-economic situation of the Democratic Republic of Congo. This is a report from WIKIPEDIA (a multilingual, universal and freely distributable encyclopedia).

2.2.1. Agriculture

Agricultural exports represent only about 10% of GDP in 2006, against 40% in 1960. Formerly flourishing, with a smaller production, the agriculture sector today in the DRC - totally paralyzed - is experiencing a productivity asthenia leading 73% of the Congolese population to live in food insecurity, food imports (staples) are increasing and exports of cash products are falling. In recent years, production has been reduced to subsistence activities despite favorable natural conditions (about 97% of arable land has a cropping season of more than eight

months in the year, and 34% of national territory are agricultural lands of which only 10% are put in value).

This sectoral problem, partly related to low productivity, is a result of problems of market access, product evacuation, conservation, loss of agricultural labor (following conflicts and endemic diseases). and quality seeds, the use of inappropriate techniques, and the lack of adequate tools. However, agriculture remains the main sector of the economy, accounting for 57.9% of GDP in 1997. The main products exported are coffee, palm oil, rubber, cotton, sugar, tea, and cocoa while food crops mainly concern cassava, plantain, maize, groundnuts, and rice. In 1996, agriculture accounted for 66% of the labor force.

2.2.2. Industry

The industrial sector accounted for 5.6% of GDP in 2003. Once important, it is currently composed of a few small factories in the textile, agri-food, chemical and capital goods sectors. All industries suffered from the crisis that hit the country. Manufacturing industries have been cut off from their sources of raw material supply and their outlets for finished products; they would use only between 15 and 17% of the productive capacities installed.

The secondary sector is very underdeveloped and characterized by a strong state presence, thus marginalizing the private sector. Most companies are public or mixed-ownership, often with majority ownership of the state. Despite the ongoing privatization process (PMPTR program), the state remains the main operator in most economic sectors such as energy, mining, forestry, hydraulics, transportation and construction. The Democratic Republic of Congo is embarking on the establishment of special economic zones to encourage the revival of its industry. The first SEZ should see the light of day in 2012 in the Kinshasa commune of N'Sélé and will be dedicated to agro-industries. The Congolese authorities already plan to open another dedicated to the mining industries (in Katanga) and a third devoted to cement plants (in Bas-Congo).

2.2.3. Informal sector

The economy of the Democratic Republic of Congo today is much poorer than it was at independence. The disruption of supply and the almost continuous erosion of demand have led to a negative spiral since the 1970s, leading to the informalisation of entire sectors, or even their "criminalization", until In 1990, according to a Report of the Sovereign National Conference, the informal sector accounted for nearly 60% of economic activities. Twelve years later, it is clear that this percentage represents more than 80% of activities. According to ILO statistics, the population working in the informal economy is estimated at 19 871 347 persons, ie 72% of the population of working age. The share of the informal economy in job creation has steadily increased to become the "dominant sector"

of the Democratic Republic of Congo. The informal economy in the Democratic Republic of the Congo takes many forms.

Although the volume of production in this sector has greatly increased, the Congolese informal sector does not play a vital role in the national economy, providing minimum income for its employees.

2.2.4. Outside position

The Democratic Republic of Congo participates in liberalization efforts in several regional economic organizations to which it belongs, such as ECCAS, COMESA and SADC. The DRC is also among the countries benefiting from preferential trade tariffs with the United States under AGOA, and with the European Union under the "Everything But Arms" initiative. In addition, the authorities initiated a reform of the customs office and set up a single window for some time, at the port of Matadi, to facilitate the formalities and allow a better control of the tax revenues of the State 26.

Exports fell from \$ 1.5 billion in 1996 to about \$ 800 million in 1999. Despite the increase since 2000, exports, representing \$ 1.3 billion in 2003, have not yet recovered the level of exports. Since 2001, however, the share of exports in GDP has increased from 13.3% in 2001 to 27% in 2004. At the same time, the share of imports is rising sharply (by 12% of GDP in 2001 to 27.4% in 2004), reflecting the resumption of infrastructure investments and the implementation of the GSM network. This development led to a trade deficit, which amounted to more than 0.4% of GDP in 2004.

In 2003, foreign investment flows reached \$ 132 million and accounted for 23.6% of gross fixed capital formation. FDI (foreign direct investment) in the DRC amounted to \$ 500 million in 2006, up from \$ 405 million in 2005 and an annual average of only 5 million between 1990 and 2000. Foreign investors, especially Chinese and South-East Africans have diversified their investments in the mining sector but also in energy and the banking sector. With the return of peace and the success of the elections, the amounts of FDI should increase further. Already, there is tension at the level of investors. They come more and more numerous and diverse.

In addition, official development assistance has gradually resumed since 1999, and financial support from the international community is one of the keys to economic recovery. The IMF has provided a US \$ 750 million loan under the Poverty Reduction and Growth Facility (PRGF) over the period 2002-2005, and the World Bank a loan of US \$ 450 million under the Poverty Reduction and Growth Facility (PRGF). ERC (Economic Recovery Credit), with 214 million approved in September 2003 and 200 million in February 2004. In 2004,

external assistance exceeded \$ 1 billion, of which nearly two-thirds came from multilateral institutions .

2.2.5. Direct involvement in the economy

In 1966, the powerful mining industries of Kasai and Katanga were nationalized. This is the golden age of Congo, now independent: in 1967 1 Congolese franc is worth 2 US dollars, public schools are growing and the rural exodus is accelerating. From 1973, the country is affected by an acute economic crisis, due to the collapse of copper prices and the oil crash. Corruption is spreading and inflation is rampant, while Mobutu privatizes many companies in his name or on behalf of his relatives (given the lack of preparation of new owners of economic and financial assets, we are witnessing a real hecatomb : businesses are locked one after the other) (Zairianization and radicalization) 37. This dark picture will be complemented by regular strikes and a climate of general insecurity that will only begin to fade at the beginning. of the new millennium.

These multiple and various causes will push the new institutions (Transitional Government) to think of new forms of state intervention to turn the tide. Among the structures created by these, with the support of their partners, we find COPIREP, BCECO, and others.

The Steering Committee for the Reform of Public Enterprises (COPIREP), a structure set up by Decree Nos. 136/2002 of 30 October 2002 and 04/047 of 20 May 2004, is the Government Council responsible for conducting the policy the reform of public enterprises (especially in sectors considered profitable for the State: mining, energy, transport, telecommunications and finance).

The offensive of the government is reflected in a permanent search for resources and partnership to fill and better respond effectively to the needs of its economy. As a result, after China, the country is getting closer to other so-called emerging countries, notably Brazil and India.

2.2.5. Economic policy

The economic and financial situation of the Democratic Republic of the Congo which prevailed at the end of the last century to bring the economy to a very deep degradation. No part of the economy has escaped. A negative growth rate (reaching even -4.3% in 1990 to -11.4% in 2000) and an investment rate which amounted to 8.5% in 1997 fell to 4.5% in 2000 could only result in a considerable impoverishment of the Congolese population. Per capita income fell from US \$ 191 in 1990 to US \$ 80 in 2000. Inflation remained very high, reaching, for example, 3642% in 1991, 9796.9% in 1994 and, more recently,

511% in 1994. 2000. Public finances have consistently resulted in large deficits covered mainly by the advances of the Central Bank of Congo. The national currency has lost most of its value on the foreign exchange market; despite multiple monetary reforms. Hyperinflation and currency depreciation, as a result of the reckless expansion of domestic liquidity, have inexorably contributed to the erosion of households' purchasing power.

Confronted with macroeconomic imbalances, a considerable rise in debt and depression, the country was forced in the 1970s and 1980s to adopt a range of policies recommended by the International Monetary Fund and the World Bank. . Stabilization policies combined with cyclical regulation aimed only at restoring fiscal balances and external payments were implemented in the early years, before being supplemented later by structural policies (structural adjustment). . Aiming for all the way out of the country in which she plunged herself.

Despite the succession of stabilization programs, it is clear that the decline in production and the worsening of internal and external imbalances have persisted. This raises, of course, the relevant question both of the desirability and effectiveness of these programs. On this last point, some analysts have argued that the lack of success of the stabilization programs in the 1970s and 1980s is due to the fragile and unrealistic nature of their objectives, since they were "focused primarily on restoring financial equilibrium and secondarily". on the revival of the production apparatus ".

For years, the government has taken a new direction through a range of economic adjustment measures successively extended by the Interim Enhanced Program (IEP) and the Government Economic Program (GEP) implemented respectively in 2001 and 2002. Its different macroeconomic policies point to promising prospects. The change in the economic performance of the 1990s in economic performance, the return to the path of economic growth, the relative stability of prices and the exchange rate are so many elements to be recorded in the account of these policies. And "progressively, we witness the resumption of structural cooperation with its main development partners; at the same time as more and more potential investors are arriving to settle in the country" [Bernier B. and al. ,2001, pp. 52-53]. For some Congolese economists, this positive situation is at the same time the result of macroeconomic stability, combined with the effects of the reforms. and the dividends of peace[Silem A. and al. , 2004, pp. 37-38].

On the other hand, the economic situation in the Democratic Republic of Congo is still precarious, as can be seen from budget deficits in the last quarter of last year. And in 2008, according to the World Bank, the country ranks 178th,

that is to say, the last place, on the list of countries of the world considered according to their capacities to offer real facilities to do business.

2.2.6. Causes of inefficiency of public expenditure in the Democratic Republic of Congo and possible solutions

According to the analysis and the observation made above, we note that the Government provides through its Budget, funds to improve the socio-economic situation of the country; so that these sums do not represent much compared to this huge country which is the Democratic Republic of Congo. These few resources allocated by the State do not seem to arrive in their entirety to the intended destinations. But for these means arrive at the destination, the law has provided a procedure that takes place in 4 stages which we will discover below. We estimate that apart from the volume of expenditure, expenditure operations also play a major role in improving the living conditions of the population.

1. Expenditure transactions

We know that expenditure transactions take place in four stages. This is commitment, liquidation, scheduling and payment.

a)The commitment

The commitment is the consequence of a decision taken by an administrative authority to carry out an operation involving an expenditure for the State: for example an order for equipment a public works contract, the appointment of an official, are acts commitment of expenditure.

b)Liquidation

Liquidation consists of determining the amount of the expenditure already incurred. The term "liquidation" is explained by the fact that it is at the same time to note the debt of the State and to fix the exact amount in money, that is to say to make it " liquid ".

c) scheduling

The order is the order to pay given by an administrative authority called "authorizing". This order is addressed to state accountants.

d)Payment

It is the payment of the money in the hands of the creditor of the State. It is made by an authority distinct from the one that has ordained: the Accountant (or State Accountant) or the State Treasury (Central Bank of Congo).

In these 4 stages, the competent authorities must take into account the relevance and the appropriateness of the expenditure before committing it. They must also show honesty and sincerity because the moral quality is essential to assume such responsibilities. However, the only moral quality is not enough for

a man to perform his task properly. That is why we have to control spending operations so that there is transparency.

2. Control of expenditure transactions

a) Administrative control

This control is exercised by the Minister of Finance through the General Inspectorate of Finance. These departments are responsible for informing the Minister of Finance (or another Minister) of irregularities found during audits of public accountants or other government departments and companies.

At this level, the Inspectors must show impartiality and disinterestedness to make good control.

b) Judicial review

This control is done by the court of accounts. It was thus desired to entrust an independent and impartial body with the task of verifying public accounts. This court, although it exists in the Democratic Republic of Congo, does not have any control over public accounting.

It must therefore take action to prevent any diversion by setting up impartial and disinterested inspectors.

c) Parliamentary control

At the level of this control, the parliamentarians are asked to carry out this control without identifying with the political or tribal colors finally to make a good control.

CONCLUSION

Public expenditure is a means par excellence of the intervention of the state in the socio-economic life of a country. Perceived here as the expenditure that the State makes in the exercise of its powers of command, the public expenditures are committed in accordance with the financial law. Expenditure transactions take place in different stages and are thus carried out by different authorities. As for the impact of public spending on the well-being of the population, we believe that the volume of expenditures and the operations involved in them are decisive factors for the Government's actions to have a significant impact on the property -being of the population. Our research is based precisely on these aspects of things, in order to analyze the evolution of public expenditures in the Democratic Republic of Congo to determine the impact that these expenditures may have on the well-being of the population with a view to to report on the socio-economic situation of the country. In a somewhat thorough way, we have alluded to the theory of public spending to fix the mind and lift the apparent equivocation that would preclude a proper understanding of the issue.

The sociological method that we used as the main method allowed us to understand the socio-economic situation of the country by observing the facts. The socio-economic situation of the Democratic Republic of Congo seems to be less reassuring despite the growth that public spending has seen in recent years.

The state manages to improve the socio-economic situation of the country by means of public expenditure. These in turn must go through different stages to reach the population.

The prospect of such an approach allowed us to consider the work in two chapters.

- The first chapter dealt with the theory of public expenditure;
- The second chapter appreciated the impact of public spending on the well-being of the population.

Scientific research is a critical investigation (...) pursued by a researcher in a field well limited to the frontiers of knowledge. It can be checked, corrected or completed in the light of the fundamental principles.

This is the case of this work. It is by no means exhaustive. Given the complexity of the subject, many riches remain to be exploited. We will salute all the efforts made in this direction.

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ANALYSE DE L'IMPACT SOCIOÉCONOMIQUE DES DÉPENSES PUBLIQUES EN RÉPUBLIQUE DÉMOCRATIQUE DU CONGO

Résumé

Dans le contexte actuel d'assainissement des finances publiques dans les États de l'Afrique Subsaharienne et il existe un lien étroit entre les dépenses publiques et la croissance économique. De ce fait, cet article se focalise essentiellement sur l'impact socio-économique des dépenses publiques en République Démocratique du Congo. Il ressort des estimations effectuées, que les dépenses publiques peuvent avoir un impact négatif dans ce pays et il faudra chercher des stratégies possibles pour enfin changer cet impact du négatif au positif en République Démocratique du Congo. Les opérations qui consistent à utiliser ces ressources sont assurées par ladite institution en vue de garantir au pays la stabilité économique et social. En particulier, il s'agit d'expliquer l'influence de la composition des dépenses publiques sur la croissance économique dans ce pays, surtout que la situation socio-économique sur place se détériore de jour en jour notamment par un taux très élevé de chômage, l'insuffisance des infrastructures de base, la pénurie en eau et en électricité, la non réhabilitation des édifices publics, etc.

Classification JEL : H50, C23, O40.

Mots-clés: Dépenses, budget, recettes, contrôle, exécution, instabilité