

The Evolution of Economic Growth in the Democratic Republic of Congo

PhD. Marcel Kamba-Kibatshi¹

Department of Economics

Institute of Sociology

Faculty of Historical and Social Science

Cardinal Stefan Wyszyński University in Warsaw, Poland

Abstract

The article analyzes the evolution of economic growth in the Democratic Republic of Congo for the period from 2010 to 2014. Despite various recovery measures implemented to stabilize it, its economy was languishing under the effect of fundamental imbalances that are accentuated during the so-called 'total economic rundown' period, from 1991 to 2001. To characterize the nature of growth and formulate appropriate policies and strategies that, for example, would reduce poverty, we the most profitable economic growth for this country. The empirical results show that the point estimates of these indicators are not very precise. The period 2010-2014 marks the continuation of a new economic era that began since 2001: an era of economic reforms and institutional stabilization in a context of international openness, after years of political turbulence (looting, importation of inter-ethnic tensions in Rwanda, wars, and armed conflicts) and international disruption. The analysis of the evolution of economic growth in this country shows that economic mismanagement has distorted fiscal and monetary cycles and led to a loss of hard currency due to declining export earnings, a collapse of the financial system and galloping inflation - factors that have virtually paralyzed public and private investment. However, the authorities must take credible measures to promote private investment in the long term, while ensuring economic growth that does not exclude anyone and benefits all Congolese, "he said. Young Congolese are actively looking for job opportunities, according to the new report. The old private sector, excluding recently privatized state-owned enterprises, could create at most 300,000 jobs, or 1.2% of the labor force. The rest will have to fall back to subsistence agriculture or the informal sector. Since the situation has not improved significantly since 2006, the Bank emphasizes that the Government will have to ensure that young people are offered employment opportunities in all sectors that are growth poles.

JEL classification: D63, O2, C19, C33

Keywords: economic, growth, evolution, production, innovation

INTRODUCTION

1. Problematic

The economic growth is a major concern for developing countries in general and the Democratic Republic of Congo in particular. It is essentially a process to improve the lives of individuals by providing them with more goods and services. This development is brought about by measures of increasing economic production based on classical factors, such as the quantity of capital, labor, productivity and innovation. The economic growth of the Democratic Republic of Congo is supported by the primary, secondary and tertiary sectors. As well as in the

narrow framework of our study, a question was raised: "How has the economic growth of the Democratic Republic of Congo evolved during the period under review? ".

2. Hypothesis

As an interim response to the above question,

- Economic growth in the Democratic Republic of Congo has been on an upward trajectory during the period under study.

3. Methodology

The methodology provides the path that allows thought to reach the truth. For our part, we used the following methods and techniques:

- *Analytical method*: this method allowed us to interpret and analyze the collected data. It consists of the exploitation of facts, detecting differences and similarities between phenomena;
- *Comparative method*: we compared data from different years. It consists in analyzing the effects of independent variables on the dependent variable;
- *Documentary technique*: we drew information related to our work in some documents, basic work, report, review and the internet;
- *Interview Technique*: This technique helped us find the appropriate data for our research topic.

4. Spatiotemporal delimitation

Scientific rigor requires that all scientific work be delimited in space and in time :

- in space, this study focused on the economic growth of the Democratic Republic of Congo;
- in time, it concerned the period from 2010 to 2014.

5. Division of the work

Apart from the introduction and the conclusion with suggestions, this work has included two parts:

- The first part of the work dealt with the theory of economic growth;
- The second part analyzed the economic growth of the DRC from 2010 to 2014.

Part 1. Conceptual and theoretical framework

1.1. Economic growth

Economic growth refers to the positive change in the production of goods and services in an economy over a given period, usually a long period. In practice, the most used indicator to measure it is gross domestic product or GDP. It is measured "in volume" or "at constant prices" to correct the effects of inflation. The growth rate is the rate of change in GDP. Per capita GDP growth is often used as an indication of the improvement in individual wealth, assimilated to standard of living. Growth is a fundamental process of contemporary economies, based on the development of factors of production, linked in particular to the industrial revolution, access to new mineral resources (deep mines) and energy (coal, oil, gas, nuclear energy). ...) as well as technical progress. It transforms people's lives to the extent that it creates more goods and services[Muet A., 1993, pp. 37-39]. In the long run, growth has a significant impact on the demographics and standard of living (to be distinguished from the quality of life) of the societies that are the setting. Similarly, the wealth that results from economic growth can help reduce poverty. In the past, during the period for which it was possible to make quantity observations, the growth in the absolute quantity of goods and services produced was usually associated with the increase in average material well-being; that is, the quantity produced per capita, and the growth of the population. For this reason, the definitions of economic growth for this period include the idea of an increase in economic well-being.

Thus, in the words of Simon Kuznets (1973) "economic growth is a long-term increase in the ability to offer a growing diversity of goods. This growing capacity being based on the progress of technology and intentional and ideological adjustments that it requires. For François Perroux, economic growth is the sustained increase during one or more long periods of a dimension indicator, for a nation, the net product in real terms. The analysis of two definitions brings out at least two great ideas: the idea of an increase over a long period and the idea of production. These two elements are recurrent in the various approaches taken by the authors to define economic growth.

As part of this work, this concept is used to refer to the continuous rise of an indicator of overall output: gross domestic product (GDP). In speaking of economic growth, it is important to distinguish it from development which, in its definition, extends to improvement in more diverse areas of human life. The concept of development, far from being limited to the economy, encompasses various areas, such as health, education, the environment, culture, and so on.

1.1.1. Measuring economic growth

a) GDP growth rate

Growth refers to the annual change in real GDP from one year to the next (or one quarter for quarterly growth).

b) GDP

GDP, or gross domestic product, measures the sum of value added in the Congolese economy over a year. It is not a question of all the products sold, but of the added value: a company that buys for 60 CDF of raw materials, transforms them and sells 100 CDF the transformed products would have contributed to create an added value of 40 CDF, not 100 CDF. GDP is therefore the sum of all these added values, whether raw materials, processed products or services (including public services).

c) Growth

Growth measures the change in this GDP from one year to the next. More precisely, we measure the real variation, that is to say, adjusted for the evolution of the general level of prices. The same company that would sell the same final product 102 instead of 100, because the price of this product would have changed during the year, would not contribute more to the added value of the country's economy. Growth is often one of the main objectives of economic policy, in particular because, without growth, unemployment grows inexorably, as the crisis regrettably demonstrated again empirically. It is not a perfect indicator: it does not measure everything (and especially not voluntary activities for example), it does not take into account inequalities in society, etc. Nevertheless, it remains an essential indicator for measuring the state of economic health of a society: moreover, we often observe a very strong correlation between GDP and alternative measures, such as the human development index developed by the Congolese government. In the Democratic Republic of Congo, since the oil crises of the 1970s, there has been a trend slowdown in GDP growth. Should we worry?

- No, if one considers that the very strong growth observed during the Thirty Glorious was partly the result of a catch-up after having introduced by the regime of the president Mobutu what is called the zairization that is to say the recourse to authenticity. It is this catching up that the emerging countries are doing today;
- Yes, if one notes that French growth is today weaker than that of other developed countries, like the United States or Germany for example.

Economic growth is measured by the rate of economic growth. This is calculated as the difference between the real GDP (that is, the price-adjusted GDP) of two successive years (for example the year t and the year t-1), compared to the GDP in the first year. Mathematically:

Rate of economic growth can be calculated by the following method:

- Let X be our size (which can be the GDP of a country, the turnover of a company, the amount of a salary, sales ...);
- Let t-1 be the beginning of the period of interest (month, year) and t the end of this period;
- X_t is the value of our magnitude at date t;
- X_{t-1} its value at the date n.

$$\text{Rate of growth} = \frac{X_t - X_{t-1}}{X_{t-1}} \times 100$$

EXAMPLE. I want to know the growth rate of my turnover (turnover) * over the period 2014/2015. My turnover in 2014 was 523,000 CDF. In 2015, my turnover was 612,000,000 CDF.

$$\text{The growth rate 2014/2015} = \frac{612,000,000 \text{ CDF} - 523,000 \text{ CDF}}{523,000 \text{ CDF}} \times 100 = 17\%$$

If the result is positive, it is because there has been growth over the chosen period. But rather, if the result is negative, it is because there has been a decrease in the chosen period. Turnover is the total sales of a business over a period. Here, it is the annual turnover (over a fiscal year) expressed in CDF. The average annual growth rate (AAGR) is the average of the annual growth rates.

Example: We have turnover growth rates over the last 4 years:

- -3.5% in 2010;
- 3% in 2011;
- 1.7% in 2012;
- 2% in 2013

Let's calculate the average annual growth rate over the period 2010/2013:

1. Determine multiplying factors

Formula :

$$\text{Multiplier coefficient} = \frac{\text{Percentage growth rate}}{100} + 1$$

- $(-3.5 / 100) + 1 = 0.965$ en 2010
- $(3 / 100) + 1 = 1.03$ en 2011
- $(1.7 / 100) + 1 = 1.017$ en 2012
- $(2 / 100) + 1 = 1.02$ en 2013

2. Determine the overall growth rate (GIT), in our example, the growth rate between 2010 and 2013

FORMULA :

$$\text{OGR} = \text{product of all multiplier coefficients} \rightarrow \text{OGR 2010 / 2013} = (0.965) * (1.03) * (1.017) * (1.02) = 1.031 \text{ soit } 3.1\%$$

3. Determine the average annual growth rate (CAGR)

FORMULA: $\text{TCAM} = (\text{TCG power } 1 / n - 1) * 100$ with $n = \text{number of years}$

$$\text{TCAM 2012/2015} = (1,031 \text{ power } 1/4 - 1) * 100 = 0.76\%$$

(b) Gross domestic product (GDP)

GDP is the total value of domestic production of market goods and services in a given country in a year by resident agents within the national territory.

As the goods and services produced in an economy have different units of measurement and therefore not directly comparable to each other, they must be summed proportionally to their value. This value is given by their full cost of production (at factor cost) expressed by the price.

Theoretically, there are three approaches to calculating a country's GDP:

- By production: we add up the added values based on the results provided by companies and administrations;
- Expenditure: the final expenditures made by the different economic agents (households, enterprises, the State and the public administrations) and the balance of current operations with the outside World;
- By the revenues: by the total of the wages distributed by the companies, the indirect taxes and the gross operating surplus of the companies.

In addition to the GDP, which is widely used today, some developed countries use the gross national product (GNP), which is the sum of the added values of all national enterprises located both in the country and abroad.

1.2. Determinants and sources of growth

We can distinguish several types of determinants to growth: natural wealth, external environment, population, innovation [Aghion P., 2007, pp. 15-16] (concept that does not concern only technical progress), investment, knowledge, coherence of development. The main conclusions of the work of Xavier Sala-i-Martin, a Spanish economist specializing in growth, confirm that there is no single simple determinant of economic growth. Talking about the sources of growth, we try to understand why some countries are economically more advanced than others or what is the engine of economic growth. It is difficult to make an exhaustive inventory of the factors of economic growth. Nevertheless, the teachings of economics allow us to enumerate some of them, relevant enough to be often quoted by various authors. We will discuss successively the investment, the infrastructure, the size of the market, the technical progress and the institutional environment.

1.2.1. investment

At the national level, investment corresponds to an increase in the means of production. As it increases the productive capacity of the economy, it is the primary source of economic growth. It should be noted that the means or factors of production in question include both physical capital (machinery, equipment, logistical equipment, etc.) and human capital (skilled and educated labor available). We distinguish between net investment and gross investment. The latter includes depreciation or replacement investments that allow the renewal of the production tool and thus the maintenance of the level of production. Reduced depreciation the gross investment gives the net investment which raises the level of production. For the same investment volume, the composition of the overall amount may vary. And at different compositions of investments it is possible to observe the increase of the production of different sizes. In other words, all the private and public investments are not equally effective, from the point of view of their capacity to increase the possibilities of production [Stiglitz, 2005, pp. 58-59]. It is important to note that investment increases the productive capacity of an economy. In other words, it leads to potential growth. The effective realization of economic growth remains dependent on a good allocation of investment expenditure to sectors of the economy identified as being growth-enhancing. Economic growth is therefore not a mechanical result of investment or capital accumulation. Investment is a necessary but not sufficient condition for economic growth.

a) The steady state of David Ricardo

For Ricardo, growth is rooted in the productive reinvestment of the surplus. As population increases lead to higher food prices (because of diminishing returns from the land), it is necessary to increase agricultural production by cultivating new land. But these are subject to diminishing returns. The cost of production and therefore the price of foodstuffs increase. The industrialists have to increase the wages, which are fixed at the level of subsistence, which reduces their profits therefore the investments, thus blocking the growth. Free trade can put downward pressure to restore profits. But it is a short-term solution. The steady state is inevitable in the long term.

b) The Marx theory

Karl Marx explains the growth by the accumulation of capital. In the capitalist world he describes, the incessant search for profits results in the substitution of capital for labor. Unemployment will therefore multiply and wages will fall, which will reduce the consumption of workers and open a crisis of opportunities. Over time, the rate of profit will fall and gradually reduce the accumulation of capital and therefore growth.

c) The limited growth seen by R. Malthus

Thomas R. Malthus states that the earth's resources increase at an arithmetic rate while the population grows geometrically. He concludes the need to limit births to avoid demographic disasters. It predicts serious long-term famine crises that, however, will not happen.

d) Joseph Alois Schumpeter and innovation

Joseph Schumpeter developed the first theory of growth over a long period. For him, production methods and routine and adaptive consumption practices lead to the stationary state. This routine is broken, according to Schumpeter, by the entrepreneur and his innovations. Thus no increase in traditional factors (capital, labor) can lead to evolution. This can only come from a qualitative change. Schumpeter shows that the determining factor of this evolution is innovation. Innovation is therefore at the heart of the growth process. In addition, he emphasizes that innovation is both a source of growth and a crisis. It is this phenomenon that it designates by the concept of "creative destruction"
[Cecchetti S., 1997, pp. 86-89].

e) The unstable growth of Post Keynesians Domar and Harrod

After the Second World War, economists Harrod and Domar, influenced by Keynes, will seek to understand the conditions in which an expansion phase can be sustainable. Thus, they develop a model that brings out the unstable character form of any expansion process. In particular, it shows that for growth to be balanced (that is, the supply of production increases neither less nor more than demand), investment must increase at a precise rate. This rate is a function of savings and the capital ratio (amount of capital used to produce a unit) of the economy. Growth is therefore, according to Harrod's expression, always on the razor's edge. Thus for the two economists, the growth can not be balanced [Abram Frost, 1995, pp. 117-118].

f) Jean-Baptiste Say: unlimited and stable growth.

Jean-Baptiste Say, for his part, proposes an optimistic vision of growth. It breaks with the pessimistic view of classical economists and speaks of unlimited and stable growth through certain adjustment mechanisms. It widens the productive factors retained by the classics: industry and services are productive activities in the same way as agriculture. The law of outlets allows infinite growth. And if there are misalignments, they are always temporal.

(g) Changes in the capital coefficient allow stability of growth (Solow, 1956)

Robert Solow was the first to propose a formal model of growth. Neoclassically inspired, this model is based on a production function with two factors: work and capital. The production thus results exclusively from the combination of a certain amount of capital (means of production) and labor (labor) [Abram Frost, 1995, p. 35]. Solow's model is based on the assumption that factors of production experience decreasing returns, that is to say that an increase of these in a certain proportion results in a smaller increase in production. . It also assumes that factors of production are used effectively by all countries. By posing that the population knows a growth rate that Solow qualifies as "natural" (not influenced by the economy), the model deduces three sermons:

1. Increasing the amount of capital (ie investing) increases growth: with greater capital, the labor force increases its productivity (so-called apparent);
2. Poor countries will have a higher growth rate than rich countries. They have indeed accumulated less capital, and therefore have lower decreasing returns, that is to say that any increase in capital leads to a proportionately higher increase in production than in rich countries;
3. Because of diminishing returns on factors of production, savings will reach a point where any increase in the factors of production will no longer lead to an increase in production.

This point corresponds to the stationary state. Solow notes, however, that this third prediction is unrealistic: in fact, economies never reach this stage because of the technical progress that increases factor productivity. In other words, for Solow, in the long run, growth comes from technological progress. However, this technological progress is exogenous to the model, that is to say that it does not explain it but considers it given.

h) The new theories of growth: Theories of endogenous growth (Romer, Lucas, Barro, Greenwood, Jovanovic)

The new theories of growth are numerous, but one will retain only them of the endogenous growth [Sargent and Wallace, 1981, pp. 126-128]. They originate in criticisms of Solow's theory. The essential criticism concerns technical progress: it is not an exogenous but endogenous growth factor because it is the fruit of the agents' investments. Since growth factors are endogenous, the state can play a role in the growth process by encouraging agents to invest more in technical progress. This theory rehabilitates the structural role of the state, its long-term

public spending in a neoclassical vision. Unlike Solow, the theory of endogenous growth assumes that the marginal productivity of capital does not decrease. The factors of growth are the accumulation of physical capital (Romer), research development (Romer), the accumulation of human capital (Lucas), public infrastructures (Barro). The difficulties of explaining the totality of growth by quantitative measures (combination capital work) make it possible to understand why certain economists. Among which Rostow's stages of economic growth (1962), emphasize the political, social and institutional factors of growth.

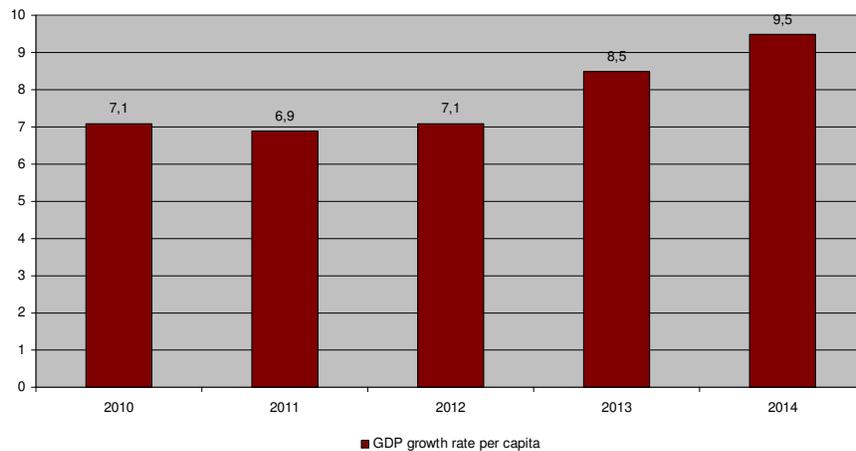
Part 2. Evolution of economic growth in the Democratic Republic of Congo

In this part of the work, we will present the evolution of economic growth from 2010 to 2014, the contribution of different sectors to GDP (gross domestic product), the use of GDP, the respective shares of components of demand, overall percentage of GDP and finally the relative shares of different sectors in GDP as a percentage.

2.1. Evolution of GDP and economic growth

In 2014, the Congolese economy was marked by the consolidation of its economic growth, in a context of austerity and hesitant recovery of the world economy. Gross domestic product (GDP), expressed in real terms, rose by 9.5%, after 8.5% in 2013; well above the average of 4.9% noted in sub-Saharan Africa. As in 2013, economic growth remained essentially supported by the good performance of the primary and tertiary sectors, in terms of supply, and by absorption through private consumption, at the level of end-uses. At the same time, GDP per capita grew by 6.2% in 2014, reaching \$ 514.0 in nominal terms, compared with \$ 484.2 a year earlier. Despite this progress, considerable efforts still need to be made, including the pursuit of structural reforms to maintain strong growth over the long term, which can significantly create employment and, as a result, significantly reduce poverty. In the goods and services market, the consumer price index slowed in 2014, standing at 1.03% after 1.07% a year earlier, the lowest level of inflation since more than 30 years in the Democratic Republic of Congo. Compared to the average for Sub-Saharan Africa, realized inflation remains largely low.

Chart 1. Evolution of GDP growth and real per capita income (in percent)



Source: Prepared by the author on the basis of data from the Central Bank of Congo

Table 1. GDP growth rate

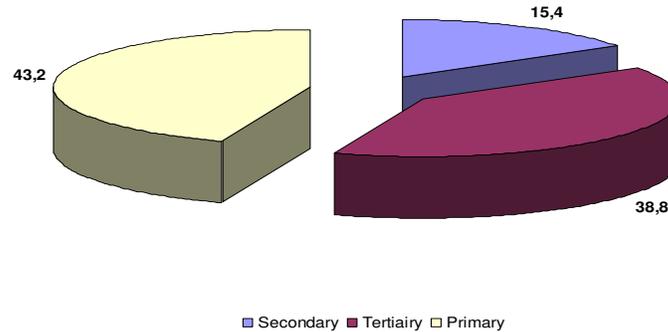
Year	2010	2011	2012	2013	2014
Rate of growth %	7,1	6,9	7,1	8,5	9,5

Source: Prepared by the author on the basis of data from the Central Bank of Congo

From this table, it appears that the country knows a real economic performance in terms of growth. It is linked to the conjunction of several factors. It is mainly driven by the mining sector which is still the driving force of the Congolese economy. Indeed, the estimates of economic activity indicate an increase of 9.5% of the real gross domestic product, after a realization of 8.5% in 2013. This vigor of the economic activity is largely supported by the sector. primary, according to the supply-side approach, and mainly through the absorption of the expenditure

perspective. GDP growth is expected to continue with active cyclical policies and structural reforms put in place by the government. From a supply point of view, this growth would be driven mainly by the dynamism of the primary sector, through extractive industries whose contribution to growth would reach 5.5% compared to 3.2% in 2013. The secondary and tertiary sectors would be marked by a slowdown in activity compared to the previous year, posting small contributions of 1.2% and 2.6%, respectively, versus 1.7% and 3.2%.

Chart 2. Sectoral contribution to GDP (Percentage)



Source: Prepared by the author on the basis of data from the Central Bank of Congo (CBC)

The strong contribution of the primary sector is linked to the dynamism of extractive activities, confirming its role as a growth engine in the Congolese economy. Indeed, the value added of the activity extractive is expected to improve by 13.2% in 2014, after a rise of 7.6% in 2013, benefiting from the particularly encouraging performance of copper and gold production volumes. reached historical production levels of 1,030,129.0 tons and 23,539.0 kilograms against respectively 919,588.0 tons and 4,900.0 kilos in 2013. For its part, the value added of agricultural production would have increased by 4, 7% in 2014, after a 4.2% improvement, thanks to the government's agricultural campaigns across the country in the context of the revival of this sector. Economic growth increased significantly in 2014, standing at 2.8% compared to 6.2% in 2008.

According to the product perspective, this slowdown mainly reflects the effects of the global economic and financial crisis that was the underperformance of the mining sector as one of the driving forces of growth in the Democratic Republic of Congo. The economic situation in the Democratic Republic of Congo was characterized by a recovery in 2010 compared to 2009, attested by the achievement of a growth rate located 1.1 points above forecasts PEG II. According to the product's perspective, this growth is mainly supported by the renewed activity of "mining industries", "wholesale and retail trade", agriculture as well as "buildings and public works". Following the expenditure approach, output growth was driven mainly by domestic demand. The economic environment in the Democratic Republic of Congo was broadly characterized in 2012 by the consolidation of the recovery in economic activity, despite a difficult international context. Indeed, the economic growth rate was 7.2% in 2012 against 6.9% achieved in 2011 and 9.5% in 2014 against 8.5% achieved in 2013. This evolution of growth reflects the strength of the economic activity.

2.2. GDP evolution according to the production approach

In 2014, the sectoral analysis of economic activity indicates that the primary sector remained the engine of growth. In fact, the contribution of this sector to growth was 5.5 points, of which 4.7 came from extractive activities. Compared to 2013, the increase in value added was 13.2%, compared with 7.6% previously. This dynamism of the extractive activities is explained by a significant increase in the production of gold, whose level increased by 285.1% between 2013 and 2014, reaching 23.5 thousand kg, following the launch of the projects. two large companies in the sector. In addition, there is a 15.9% increase in copper production, thanks to the maintenance of still favorable world prices. For its part, the branch "Agriculture, forestry, livestock, hunting and fishing" grew by 4.7% in 2014 after an improvement of 4.2% in 2013, maintaining its contribution to growth to 0.8 point. This development follows Government initiatives aimed, among other things, at improving food security. In this context, agricultural campaigns were organized in the provinces and were accompanied by the distribution of

materials, agricultural inputs and livestock. In parallel, the secondary and tertiary sectors recorded a slowdown compared with the previous year.

Table 2. Contribution of different sectors to economic growth

Activity branches	2010	2011	2012	2013	2014
Primary sector	9,6	5,5	2,9	3,2	5,5
Agricul, forest, high, hunting and fishing	0,7	0,7	0,7	0,8	0,8
Agriculture	0,7	0,7	0,7	0,8	0,7
food	0,7	0,7	0,7	0,8	0,6
annuity	-	-	-	-	-
forestry	-	-	-	-	-
Breeding, fishing and hunting	-	-	-	-	-
Extraction	0,8	4,8	2,3	2,4	4,7
Secondary sector	-0,4	0,8	1,2	1,7	1,2
Manufacturing industries	-0,4	2,9	7,9	12,5	1,1
Food, Beverage and Tobacco Industries	0,1	-0,2	0,8	1,2	1,2
Other Manufacturing Industries	-0,5	0,4	-0,3	-0,1	-0,1
Construction and public works	-	0,6	0,6	0,6	-
Electricity, gas, steam and water	-	-	-	0,1	-
Tertiary sector	-2,2	0,4	2,7	3,2	2,6
Trade	-0,4	0,1	1,6	1,2	0,7
Transport and telecommunications	-0,8	0,1	0,7	1,2	0,8
Other services excluding Public Administration	-0,6	0,2	0,4	0,6	1,0
Public Administration Services	-0,3	0,1	-0,1	0,2	0,3
SIFIM	-	-	-	-	-0,1
GDP at factor costs	7,1	6,7	6,8	8,1	9,3
Taxes on products	0,1	0,2	0,3	0,4	0,2
GDP at constant market prices	7,1	6,9	7,1	8,5	9,5

Source: Prepared by the author on the basis of data from the Central Bank of Congo (CBC)

In the secondary sector, a small contribution of 1.2 percentage points to growth was recorded compared to 1.7 points in 2013, mainly due to the slowdown in construction activities of 1.2% against 14.1% in 2013 and the "electricity, water and gas" branch of 6.3% compared to 7.2% in 2013. Nevertheless, growth in the "manufacturing industries" activities, although lower compared to last year, was 9% against 10.1%, led to a contribution of 1.1 percentage points to growth, the same level as in 2013. In the tertiary sector, the activity recorded a contribution of 2.6 percentage points to growth, due in particular to the dynamism of the activities of "Other non-government services" which rose by 10.9% against 6.5% a year earlier, resulting in a contribution of 1.0 percentage point to growth. This development is the result of a relative improvement in the business climate, which is reflected, among other things, in the recovery of hotel and restaurant service activities. Despite the Government's efforts to improve the urban transport service and expand the activities of telecommunication operators in the national market, the contributions of the "Commerce" and "Transport, storage and telecommunications" branches to growth were 0.7% percentage point and 0.8 points, below their level of 1.2 points each in 2013. Table 3 below shows the contribution of different sectors to the growth of the Gross Domestic Product (as a percentage, at 2005 prices).

Table 3. Contribution of different sectors to the growth of Gross Domestic Product (as a percentage, at 2005 prices)

Activity branches	2010	2011	2012	2013	2014
Primary sector	134,6	79,6	41,2	37,5	58,3
Agricul, forest, high, hunting and fishing	10,3	10,2	9,2	9,2	8,8

Extraction	124,3	69,5	32,0	28,3	49,5
Secondary sector	-5,1	11,4	16,6	19,9	12,2
Manufacturing industries	-5,8	2,9	7,9	12,5	11,3
Construction and public works	0,7	8,8	8,0	6,7	0,5
Electricity, gas, steam and water	0,1	-0,4	0,7	0,6	0,5
Tertiary sector	-30,6	6,3	37,5	37,7	27,7
Trade	-6,3	1,8	22,4	14,2	7,2
Transport and telecommunications	-11,1	1,1	10,3	13,9	8,0
Other services excluding Public Administration	-8,5	2,8	5,7	7,1	10,4
Public Administration Services	-4,9	0,7	-0,7	2,0	3,1
SIFIM	0,4	-0,1	-0,2	0,5	-0,9
GDP at factor cost	99,2	97,4	95,3	95,1	98,3
Taxes on products	0,8	2,6	4,7	4,9	1,7
GDP at constant market prices	100,0	100,0	100,0	100,0	100,0

Source: Prepared by the author on the basis of data from the Central Bank of Congo

As in 2013, the activities of the "Agriculture, Forestry, Livestock, Hunting and Fishing" branch remain strong. Indeed, the value added of this branch grew by 4.7% against 4.2% the previous year, keeping its contribution to economic growth around 0.8 point. As a result, its production index improved by 4.6%, reaching 110.9 points in 2014. The recovery efforts undertaken in the agricultural sector were significant in 2014. In fact, this sub-branch increased by 4.0%. Its index of activity strengthened by 3.6%, reaching 106.5 points at the end of the year under analysis. This development is essentially due to the development of the activities of the sub-component "Agricultural Crop Production", which accounted for 98.5% of all agricultural production.

As a result, its contribution to GDP growth of 0.6 points is down 0.2 percentage points from the previous year. This development follows the projects carried out by the Government as part of the revival of this sector through agricultural campaigns both in Kinshasa and in the interior of the country, the distribution of materials, agricultural inputs and livestock heads. livestock in the provinces, as well as the launch of three major projects with the support of the African Development Bank (AfDB), in the Congo River basin, the two Kasai and Katanga. In 2014, food crop activity was marked by a 3.9% increase in its value added, 0.4 percentage point lower than in 2013. Its activity index showed an increase of 6, 9%, in relation to the 21.9% increase in fruit production, 10.7% in oilseeds, 9.8% in cereals, 5.9% in vegetables and legumes, and 2, 8% of roots and tubers. The added value of activities related to this crop increased by 10.4% compared to 3.3% the previous year. This strengthening was corroborated by the evolution of its activity index which was in the same dynamic, with an increase of 2.5%. This acceleration is due in particular to the increase in production of 18.0% robusta coffee, 22.0% arabica coffee, 26.0% of logs and 32.0% of palm oil. Cocoa and rubber production fell again by 22.0% and 36.0%, respectively, mainly due to the aging of plantations and the lack of recourse to new production techniques. Extractive activities confirmed their preponderance in the economic growth of the Democratic Republic of Congo in 2014. Indeed, after their increase of 10.1% in 2013, the added value of the "Extraction" branch increased by 19%, 4% in 2014, bringing its contribution to GDP growth to 4.7 points from 2.4. Similarly, the activity index of this branch was 200.5 points against 181.0 a year earlier. With the exception of cobalt and diamond, which saw production declines, other mining products recorded increases. This good performance of the activities of the entire sector was supported by still favorable levels, for the Democratic Republic of Congo, international prices, despite the decline in global demand. Copper in 2014, copper production broke its 2013 record. It stood at 1,065.7 thousand tonnes, an increase of 15.9% over the previous year. The entry into the exploitation phase of new deposits justifies this evolution. At Gecamines, production fell by 19.5%, after an exponential increase of 336.1% in 2013. In fact, its production amounted to 127,950.0 tonnes in 2014, mainly due to of the energy deficit. At the same time, production by other companies was up 23.3%, reaching 937,794.0 tonnes. Cobalt In 2014, the total production of cobalt almost stagnated, standing at 76,475 tons against 76,517 tons in 2013. The share of production returning to Gecamines was 2,285 tons against 2,263 tons in 2013.

2.3. GDP evolution according to the demand approach

The evolution of GDP by demand reveals a strong contribution to the growth of activity for absorption, combined with a slight increase in the balance of trade with the outside world.

Table 4: Relative shares of components of aggregate demand in real GDP (as a percentage of GDP at 2005 prices)

COMPONENTS	2010	2011	2012	2013	2014
Domestic request	123,0	120,2	101,2	101,5	100,7
Public consumption	11 ,6	8,8	14,8	15,3	14,5
Private consumption	85,8	82,3	70,6	69,0	69,1
Gross investments	25,6	29,2	15,9	17,1	17,2
Net external demand	-23,0	-20,2	-1,2	-1,5	-0,7
Export of goods and services	15,3	16,6	29,4	30,3	28,4
Import of goods and services	38,2	36,8	30,7	31,7	29,2
Gross domestic product	100,0	100,0	100,0	100,0	100,0

Source: Prepared by the author on the basis of data from the Central Bank of Congo

The domestic demand grew 8.7% in the year under review, keeping its contribution to growth at 8.8 percentage points. This growth is mainly driven by household consumption and gross fixed capital formation.

- Final consumption was more dynamic in 2014 as indicated by its contribution to growth, which increased from 72.4% to 75.7% year-on-year. This situation is explained by the improvement in household disposable income, in a context of stability of the national currency. Private sector demand was the most important component with a contribution to growth of 70.1%, while that of the public sector was 5.6%. In 2014, the low contribution of public consumption compared to the previous year is the result of low public revenue mobilization against the backdrop of cash-based management;
- Gross investments grew by 9.6% in 2014, despite the hardships observed in the execution of certain public projects. Thus, these investments made a 17.3% contribution to growth, driven by Gross Fixed Capital Growth, which rose 10.7% year-over-year. This growth stems in particular from the dynamism of the extractive industries, telecommunication, transport and, to a lesser extent, the continuation of the Government's reconstruction and modernization of the country;
- Net external demand contributed 7.0% to growth in 2014, while it led to 4.2% GDP growth in 2013. Although positive, this small contribution is mainly related to a context international economic difficulty. Total exports of goods and services increased 2.9% from 11.6% in 2013, representing a 0.9 point contribution to growth. On the other hand, total imports of goods and services registered a slight increase of 0.7% compared to 12.3% in 2013.

CONCLUSION

Our study focused on the analysis of the economic growth of the DRC from 2010 to 2014, which had as major concern to know how evolved this economic growth during the period under study. To address this concern, we started from the assumption that economic growth has been on an upward trajectory during the period under study. To verify our hypothesis, we used methods and technique. To achieve this, we were able to break out our work in two chapters, the first chapter of which dealt with the theory of economic growth and the second chapter analyzed the evolution of the economic growth of the Democratic Republic of Congo from 2010 to 2014. We have found that: After a slowdown to 2.8% in 2009 due to the international financial crisis, the Democratic Republic of Congo recorded uninterrupted economic growth with an average rate of 7.7% per year between 2010 and 2015. In 2014, the Congolese economy was marked by the consolidation of its economic growth, in a context of austerity and

hesitant recovery of the world economy. Gross domestic product (GDP), expressed in real terms, rose by 9.5%, after 8.5% in 2013; well above the average of 4.9% noted in sub-Saharan Africa. This performance is explained by the strength of the mining and investment industries, despite the slowdown in the world economy and the observed decline in oil prices and the decline in demand and mineral prices that countries are exporting. Public investment has also helped boost economic growth in the Democratic Republic of Congo. From the foregoing, we suggest that the Congolese government generate economic growth that offers more opportunities for socio-economic development to the greatest number of people, with particular attention to vulnerable groups, growth based on a broad base of actors, strong job creation and facing the major challenges of reducing poverty and fighting inequalities.

BIBLIOGRAPHY

- Abram Frost, Economic dynamics, Ed. Dalloz, Paris, 1995.
- Aghion P., 2007, « Croissance et finance », *Revue de l'OFCE*, n° 102.
- Banque mondiale, 2005, *Investment Climate Assessment Survey*, Washington D.C.
- Banque mondiale, 2006, *Royaume du Maroc : Mémoire économique pays, Promouvoir la croissance et l'emploi par la diversification productive et la compétitivité*, 2 vol., Washington D.C.
- Cecchetti S., 1997, « Central Bank Policy Rules : Conceptual Issues and Practical Considerations », *NBER, Working papers* n° 6306.
- Muet (A), *Croissance et cycles : théories contemporaines*, éd. Economica, Paris.1993.
- Richard (A), *Triumphant Growth: A Perspective on the 19th Century*, Ed. New Horizons, Paris, 1996.
- Sargent T., Wallace N., 1981, « Some Unpleasant Monetarist Arithmetic », *Federal Reserve Bank of Minneapolis Quarterly Review*, automne.
- Stiglitz J.E., Greenwald B., 2005, *Économie monétaire, Un nouveau paradigme*, Paris, Economica.
- Stiglitz J.E., Ocampo J.A., Spiegel S., French-Davis R., Deepak N., 2006, *Stability with Growth Macroeconomics, Liberalization and Development*, Oxford University Press.
- Weise C.L., 1999, « The Asymmetric Effects of Monetary Policy : A Nonlinear Vector Autoregression Approach », *Journal of Money, Credit and Banking*, vol. 31, n° 1, février.

L'ÉVOLUTION DE LA CROISSANCE ÉCONOMIQUE EN RDC

Résumé

L'article analyse l'évolution de la croissance économique en République Démocratique du Congo pour la période de 2010 à 2014. En dépit de diverses mesures de redressement mises en oeuvre pour la stabiliser, son économie crouissait sous l'effet des déséquilibres fondamentaux qui se sont davantage accentués durant la période dite 'de la déglingue économique totale', soit de 1991 à 2001. Pour caractériser la nature de la croissance et formuler les politiques et les stratégies appropriées qui par exemple permettraient de réduire la pauvreté, nous avons pensé aux indicateurs de croissance économique les plus rentables pour ce pays. Les résultats empiriques montrent que les estimations ponctuelles de ces indicateurs sont peu précises. La période 2010-2014 marque alors la continuité d'une nouvelle ère économique qui a débuté depuis 2001: une ère de réformes économiques et de stabilisation institutionnelle effectuées dans un contexte d'ouverture internationale, après des années de turbulence politique (pillage, importation des tensions interethniques rwandaise, guerres, et conflits armés) et de rupture internationale. L'analyse de l'évolution de la croissance économique dans ce pays montre que la mauvaise gestion économique a faussé les cycles budgétaires et monétaires et entraîné une perte de devises fortes liée à la baisse des recettes d'exportation, un effondrement du système financier et une inflation galopante – facteurs qui ont eux-mêmes pratiquement paralysé l'investissement public comme privé. Les autorités doivent cependant prendre des mesures crédibles pour promouvoir l'investissement privé à long terme, tout en assurant une croissance économique qui n'exclut personne et profite à tous les Congolais », a-t-il précisé. Les jeunes Congolais recherchent activement des possibilités d'emploi, selon le nouveau rapport. L'ancien secteur privé, non comprises les entreprises publiques récemment privatisées, pourrait créer tout au plus 300 000 emplois, ce qui représente 1,2 % de la population active. Le reste devra se replier vers l'agriculture de subsistance ou le secteur non structuré. La situation ne s'étant pas sensiblement améliorée depuis 2006, la Banque souligne que le Gouvernement devra veiller à offrir des possibilités d'emploi aux jeunes dans tous les secteurs qui sont des pôles de croissance.

Classification JEL : D63, O2, C19, C33

Mots-clés: économique, croissance, évolution, production, innovation