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Creation of Special Economic Zones in DRC: Critical Look and Perspectives

André MULUMBA KABASUKUTUSUA

Economist, researcher in public economics, Institute of Economic and Social Research, Faculty of Economics and Management, University of Kinshasa-DRC

ABSTRACT: The Government resolved to create Special Economic Areas through a law carrying régime of the Special Economic Areas in the Democratic Republic of Congo. The aim pursued by the State is to create favorable conditions to the investment in order to attract the new capital on behalf of the national investors as well as foreign. Indeed, the creation of the Special Economic Areas, for me is an appropriate solution for the Government insofar as it makes it possible to create not only wealth and employment, but also to improve the living conditions of the populations. However, in this item, we would like to draw the attentions of the authorities in their showing that the installation of a legislation regulating the Special Economic Areas does not suffice for it to only attract the investors, there are other factors which, by the fact that they constitute constraints, seriously condition the attraction of the national investors as well as foreign. These constraints are at the same time of an economic and politico-institutional nature. Thus we suggest that the Government finds solutions with these constraints which are in fact, the bottlenecks which could cause the reserve on behalf of the potential investors.

KEYWORDS: Special Economic Zones and DRC

JEL Classification: F21, O55

1. INTRODUCTION

The overall health of the economy and the degree of political stability, as well as the availability of resources and markets, are determinants of the climate that prevails for investors in a country[1].

Indeed, since its decolonization in the 1960s, a climate of political uncertainty has characterized the country's economic environment and discouraged foreign investment, albeit resulting in a noticeable decline in productive investment.

Local industries have experienced an almost total blockage of their production capacity following difficulties in importing raw materials. Unemployment and shortage of food products beat the fullness in the country. This situation rapidly deteriorated following the disruption of public finances and the flight of capital. In this regard, André HUYBRECHTS specifies: "he stoppage of private investment and the massive flight of capital, even as the precarious situation of the Budgets, prepares for the difficulties of the foreign balance and public finances that the DRC will know for a long time"[2].

It is in this context that the Government of the Republic, from the first years of independence until today, has taken a number of important economic measures to attract fresh capital in order to revive the country's economy. It has therefore sought to create favorable conditions for the business climate by putting in place legislation regulating investment.

He noted the creation of development poles, the promulgation of various codes (investment code, mining code, forestry code), the creation of Inga free zones.

Nevertheless, it can be said without risk of misleading us that all these investment policies undertaken by the Congolese state have been soldered to a failure as they have provoked neither growth nor wealth and job creation. Well on the contrary, it's poverty that is increasingly accentuated.

Today again, the Government of the DRC comes to raise the option of the creation of Special Economic Zones "SEZ" through a bill bringing the SEZ regime in the DRC, read the bill has been adopted by the parliament and sent to the President of the Republic for promulgation.

In effect, the SEZ respond to the state's concern to diversify the economy by enabling investors to create wealth and jobs in order to improve the living standards of the population and meet the development goals of the country.

[1]ALICE Galenson, Investment Incentive Systems in Industry, Washington, DC, 1985, p.1.

[2]HUYBRECHTS André, Transport and Development Structure of the Congo, Coll. African Researches, ed. Mouton, Paris, 1970, p.173

Thus, the objective of this article is therefore to draw the attention of the Country Authorities to the hopes they have placed in the creation of SEZ by taking a critical look at the chances of success and effectiveness of the latter .

Moreover, drawing on the experience of the past, the creation of SEZ raises some fundamental concerns that deserve to be posed around the following questions:

- Why have the various investment policies initiated by the Congolese state been soldiered on by failure?
- How can SEZ possibly provoke national economic integration when most of our provinces are enclaved?
- Is it that by instituting the law on the regime of SEZ, the same causes will not produce the same effects?

To answer all these questions, we shall examine in turn, in this article, some of the points which we have judged useful to address. It highlights the perceptions of SEZ, the determinants of investment, the impact of SEZ on economic integration, and perspectives in terms of proposals for the success of SEZ in the DRC.

2. NOTION ON SPECIAL ECONOMIC ZONES

Generally speaking, a Special Economic Zone "SEZ" is a geographical region within which economic laws are more liberal, more business-friendly, than those practiced in the rest of the country.

In the Democratic Republic of the Congo, the law carrying the regime of SEZ defines a SEZ as being "any geographically limited space intended for the hosting of economic activities, whose purpose is to provide a set of infrastructure services and the best working conditions of their activities"[3].

In its exposition of motives, the law carrying the SEZ regime in the DRC, stipulates that the strategy for the creation of SEZ notably aims at:

1. The implementation of SEZ having a direct impact on job creation;
2. The legal security of investments;
3. The modernization of the function of the State in relation to the membership of the regional groups of which the country is a part;
4. The reinvigoration of the industrialization policy of the country and the private sector through the promotion of investment;
5. The simplification of administrative procedures to further improve the business climate;
6. The guarantee of non-reduction of tax, para-tax and customs benefits granted to Entrepreneurs, Enterprises and economic operators of SEZ.

In other words, it can be said that regardless of these strategies, the objective pursued by the State is to attract fresh capital and orient it towards productive investment, with a view to creating wealth and employment for nature to contribute to the economic and industrial development of the country.

In Article 3 of the same Act, it is stipulated that: the designation of a SEZ shall meet the criteria relating to the site, layout and environment.

These criteria are:

- Site availability called for accommodating the SEZ;
- Proximity to a population agglomeration can meet the needs at hand;
- Proximity to adequate infrastructure networks, roads, water and electricity.

Nevertheless, all these criteria alone are not enough to attract investors. There are other factors which, by virtue of their constituting constraints, seriously condition the inflow of fresh capital. These constraints are simultaneously economic and political-institutional.

3. DETECTORS OF INVESTMENT

The factors that determine the decision to invest can be either objective when they are relevant to economic theory itself, or subjective when they escape economic theory and constitute constraints.

3.1. Objective Determinants

Investment plays an important role in modern macroeconomic analysis not only because it is a component of global demand, but primarily because it is an increase in the capacity to produce[4].

The investment in physical capital is generally owned by the firm. Of course, for a businessman, his decision to invest, i.e. to acquire an asset and equipment takes into account the discounted profit. In other words, it refers to the revenue streams generated by this equipment in production. These flows depend on the physical productivity of the goods and equipment considered, the selling price of the product to be produced and the demand for the latter.

The decision to invest therefore rests theoretically on comparing two elements namely the cost of financing the investment and the marginal utility of physical capital or its return.

[3] Read about the bill carrying the regime of ZESs in the DRC already adopted by the Parliament.

[4] KABUYA KALALA, Macroeconomics, First Bachelor's Degree in Economics, UNIKIN, 2004

3.1.1. Cost of financing

The cost of financing is represented by the market interest rate such that even if the investor disposes of his own funds, he should nevertheless consider the interest rate as the opportunity cost of those same funds. The cost of financing is defined as the actuarial rate that equates the amount of funds perceived by the investor to the returns expected by the financier. Your formula looks like this:

$$V_0 = \sum_{t=1}^{-} \frac{Ft}{(1+K)t}$$

- V0: represents the amount realized by the investor at time zero.
- Ft : is the sum of the investor's net payments corresponding to the fund provider's remuneration and eventual return at year t.
- n : is the expected duration of funding.

3.1.2. The marginal efficiency of capital.

The marginal cost of capital is the rate of return that makes the present value of the investment comparable to its acquisition cost. This is the net return on investment. Mathematically, this rate is calculated as follows:

$$I_0 = \sum_{t=1}^{n} \frac{Ft}{(1+r)t}$$

- Ft: net cash flows.
- I0 : capital invested;
- t: time.

The marginal efficiency of capital is therefore represented by the rate represented by the rate r. Under these circumstances, for investment to be successful, the marginal utility of capital must exceed the cost of capital.

3.2. Subjective Determinants

II ya instead note that objective determinants, i.e. related to economic theory, cannot by themselves determine the success of an investment project. There are others which, by virtue of constituting constraints, seriously condition the inflow of fresh capital. They are numerous and we are far from analyzing them all. We propose to analyze a few with respect to their direct influence on the investment decision.

3.2.1. Institutional stability

Institutional instability has as a main consequence disorder and insecurity. The unhealthy climate that accompanies these two discouraging factors is often the private initiative. Indeed, the political instability and Eastern wars which have been going on in our country cannot favor the business climate. Well on the contrary, such a situation creates the apprehension on the part of investors as well as domestic as well as foreign. Political instability seriously affects the overall investment climate. The history and current events of the DRC prove it enough.

Another important fact is that all the measures appearing in any regime of Special Economic Zones, they seem very attractive, but the danger they pose, is their eventual modification or abolition in a rather uniform way the public powers. Hence, the possible reluctance on the part of investors to proceed with many investments, which may be ravished by a nationalization process. This is the case of the DRC which realized this change through the political measures of Zairianization in 1973. If things seem to be progressing today, it is only on the security plane where the government aims to restore peace on all l 'the extent of the national territory. But on the political, institutional and business climate plane, a lot remains to be done and nothing can for the time being, attract the influx of capital from the side of investors.

3.2.2. Structure of the economy

The structure of the Congolese economy is extraverted. She is the product of colonization. Il ya absence on the Congolese territory of industries producing the goods of equipment and supplies to meet the growing demand of the light industry which constitutes a swallow of fishing.

The situation crossing the country these days, shows that these light industries face enormous difficulties in securing employees and inputs, and consequently, the disinvestment in seed and the reluctance on the part of potential investors.

3.2.3. Basic Infrastructure

The almost non-existence of basic infrastructure (lack of land, rail, river, air, energy (water and electricity) communication routes cannot in any way favor the business climate. As BESY said: “all the railroads built in the Congo had only one purpose: to secure the connection of the productive regions with the ocean to allow the flow of exports[5]. ’’The roads built during the colonial era only served to transport raw materials to the metropolis. Since then, neither railways nor roads have been built while there are indispensable roads to enable the flow of exchanges locally and directly link SEZ to foreign markets.

That is to say, the potential investor, cannot move into an environment where the basic infrastructure is almost non-existent when even the marginal efficiency of capital, for a given project, is higher than the cost of capital.

Indeed, the provinces of Katanga, Lower Congo, the eastern province and the city province of Kinshasa possess major opportunities for the deployment of SEZ due to the regular supply of energy supplies (water and electricity), d 'accommodation infrastructure, from the concentration of population in these provinces as well as from the equally concentrated income, can easily attract foreign investment.

In such a context, it is quite evident that the exacerbation of already deep provincial economic inequalities is not warranted if they continue to remain the same. Even if the law carrying the SEZ regime in the DRC provides no restrictions regarding the setting up of SEZ, investors, they, naturally choose to locate near the hot spots of the country, thereby taking advantage of better infrastructure and facilities.

3.2.4. Funding conflicts

Land disputes are acutely posed in the DRC although the BAKAJIKA law stipulates: “the land and subsoil are the property of the Congolese State”. In the rural milieu, the acquisition of hundreds of hectares (Ha) to businesses and peasants will be the subject of challenge not only from customary chiefs who feel that their ancestral lands cannot be usurped , but also by populations who also believe that these lands are reserved for farmwork for their survival and that no one can touch them. Add to this the unresolved territorial decoupling problem for the demarcation of provinces and decentralized territorial entities. All these parameters combined cannot favor a business climate in the country.

In the urban environment by contrast, these are the utilities in charge of land acquisition. In fact, these days, Ton finds that some investors are victims of spoliation by the state that acquired them land for their activities, i.e. these lands are either sold to others, either recovered by the State itself without counterparty.

3.2.5. Tax regime

From a macroeconomic point of view, taxation constitutes a source of receipts for the State; on the contrary, on the microeconomic plane, it constitutes a burden for the taxpayer. Nevertheless, as the World Bank’s 1988 World Development Report emphasized, “one of the important features of local taxes in developing countries is the proliferation of secondary sources of income such as sorts of patents, rebates, stamp duty and catchment taxes »[6].

In the case of the DRC, economic operators often complain, not unreasonably, about tax proliferation. Public administrations such as them, sometimes acting in a dispersed manner, i.e. indifferent to the concerns of the other, often deny the economic operator the right to claim, very legitimate of the rest, on the grounds that the proliferation of taxes would be nothing more than a fallacious pretext for escaping its obligations[7].

As can be seen, with decentralization as the mode of state management in the DRC, the problem of proliferating taxes or the lack of harmonization of related texts can constitute a serious handicap to investment and therefore to growth economic in the framework of SEZ insofar as provinces and ETD create their own taxes and levies, and often beyond their competence.

3.2.6. Economic Conjuncture

An unfavorable economic juncture can, to a large extent, discourage the investor. In a period of currency instability for example, the uncertainty arising from fluctuations in the purchasing power of the currency discourages long-term investments (which are productive investments) because it is difficult to know whether these investments will.

The investigations of E. KOEDE in the USA and Michel DEEASPIRRE in France had in effect demonstrated that from both an attitudinal and a behavioral point of view, the publication of an investment code is not a determining factor in triggering an appreciable movement of capital[8].

Possessing immense and diversified natural resources across the entire national territory as well as a stable macroeconomic framework, the DRC currently offers an investment-friendly socio-economic setting. There is also the uncertainty arising from fluctuations in economic aggregates which can create reluctance on the part of investors. Nevertheless, it is noteworthy that the creation of SEZ is not only a stimulant, it cannot substitute in any case, a favorable investment climate.

[5]BESY, F., Structural Problems of the Congolese Economy, Louvain, Paris, 1957, p.74

[6]World Bank, World Development Report, Washington, DC, June 1988, p.192

[7]KITOPT KIMPINDI, Tax Proliferation in Zaire and Its Impact on the Promotion of Small and Medium Enterprises, in Economic and Social Papers, vol. XXIII, n'2-3, January-April, 1981, p.126

[8]KOLDE and DELASPIRE quoted by TEYSSIER Liked in "External funding and code of"

Besides this favorable set-up, there are also other obstacles that restrain the rapid and significant growth of the volume of investment and hence, the expansion of the productive potential. In this regard, Hugues EECEERCQ specifies: “the absence of entrepreneurs is considered notably one of the most serious factors hindering the development of investment”[9].

3.2.7. Industrial Research and Training

The DRC suffers from a chronic deficit in industrial research and training. On this subject Bruno MUPTNGANAYI adds: “… investments made in the education sector were not axed on the development of industrial skills, and today the resources allocated to training programs are limited”.[10]

Or, one cannot industrialize with imported labor because that would put the country under foreign dependence with as a consequence the flight of foreign exchange needed by the country to finance its industrialization.

There are research centers in the country for the training of specialized cadres in the field of industry, unfortunately, the public powers are not concerned about these research centers for their funding, while innovation and technological research are the key to success of any development.

All these inadequacies must be taken into consideration by the State in the creation of Special Economic Zones if the country is to be seriously industrialized.

Thus, all the elements that we are going to analyze constitute the determining factors for attracting investors. Also, the state should create favorable conditions for investment through Special Economic Zones while avoiding to the maximum all those constraints that are in fact, the checkpoints for the establishment of Special Economic Zones country.

3.2.8. Bank Abuse in the DRC

Commercial banks are of capital importance in the context of the creation of SEZ insofar as they facilitate the transactions of economic agents especially businesses and households with a view to financing their activities.

Nevertheless, in the DRC, commercial banks are established only where there are economic activities, while in the interior of the country and particularly in rural areas for example, it is difficult to find a bank. Such a situation does not favor the attraction of foreign investors. It is also*that within the framework of SEZ, the government of the DRC must create partnerships with commercial banks to invigorate the socio-economic environment in all parts of the territory i.e. by installing banks businesses with a view to attracting potential investors.

4. INCIDENCE OF SEZ ON ECONOMIC INTEGRATION

4.1. Economic integration

Economic integration is a historical imperative that "departs from the imperatives of nation-building and economic development. However, it should be noted that there are several definitions of the concept of "integration", but that is retained by the IR Kinshasa from June 15 to 20, 1981, seems appropriate to us because it was the fruit of a dispassionate analysis of the economic situation in our country.

In this speech, national economic integration was defined as “a process made necessary by the needs of nation-building and social progress, consisting of mobilizing in a coherent and effective manner resources, energy, savings, wealth sectors of production and the achievements of science and technological research in a new combination, in a new main axis structure on the interests of the country and its citizens”[11]

Economic integration is often carried out at three levels: sectoral, regional (provincial) and national.

4.1.1. Sector integration

II clearly appears that a study of sectoral economic integration should be based on the analysis of inter-sectoral relationships, i.e. on the interdependence of sectors of an economy in the formation of national product.

According to René PASSET, “measuring the interdependence of sectors also allows determining what the development of each of them requires from the others, in the form of additional supply or demand”[12]. It goes without saying that an economy integrated on the sectoral plane is one in which inter-industry relations at the national level are very dense.

[9]LECLERCQ Hugues, Inflation, Causes or Consequence of Structural Mutations in an Underdeveloped Economy: Reflecting the Congolese Experience, in Economic and Social Papers, IRES, UNIKIN, vol. II, No. 2, October 1964, p.136.

[10]MUPINGANAYI, B., The point of CEE-ACP industrial cooperation on the horizon 1992. The case of Africa, Biometrix spri presses, Kinshasa, 1991, p.68.

[11]General Report on the IRES Conference held in Kinshasa from 15 to 20, 1981, in Economic and Social Papers, Vol XXI. Nos. 1-2, January-June 1983, p.163.

[12]PASSET René, Development Policy, 2nd Edition Dalloz, Paris, 1969, p.243

The absence of the input-output table in DRC does not allow us to quantitatively measure the degree of interdependence of sectors. Next to René PASSET, the triangular matrices; are "Characteristics of Developing Countries"[13].
The same author claims that after CHENERY research on underdeveloped regions, 90% of them have, a matrix of triangular transactions.
This matrix can be expressed as follows:

Table No. 1: Matrix of Triangular Transactions

	A	B	C	D	AND
A	a11	0	0	0	0
B	a21	a22	0	0	0
C	a31	a32	a33	0	0
D	a41	a42	a43	a44	0
AND	a51	a52	a53	a54	a55

This matrix appears under this form because, due to the very position of the sectors, all those elements above the diagonal will be equal to zero or of low value, while the elements below will be much stronger. We can thus estimate that the matrix of cross-sector relationships of the DRC can be approximated to the form presented above. From this matrix, however, it can be concluded that interdependence relationships do not exist between industrial sectors.
This situation has its origins, and TIKER TIKER explains it in the fact that: "the relatively low level of inter-industry relations in the Congo has two reasons: the absence of an industrial structure in the region when setting up and affiliating industries to the various foreign economic groups before securing supply. Two situations were thus created: the industry implanted itself, all the activities necessary for its operation, or the industry remained connected to a foreign industry in the face of all its needs. This double situation underlies the absence of industrial integration. The various industries exchange almost nothing with each other and rely on outside for their supplies"[14].
If there is to be inter-industry exchanges between sectors, the state should attract to the SEZ bosom of investors who can set up industries having complementarities between them so as to avoid subsidiaries whose home-making to l 'foreign.

4.1.2. Provincial Economic Integration

The importance of an industrial activity in the various measures to encourage investment reveals a fundamental importance for the economic and social development of the region (province) where it is established. From this point of view, it can play in effect, a triple role to know:

a. valuing local raw materials ;
b. create new jobs and encourage income redistribution;
c. of the same, the firm can exert an induction role on the economy as a whole through its technical linkages (supply and demand effects),

Or, looking at the investments that have been made for instance within the framework of the investment code, the mining code and the forestry code, it is found that although they have attracted investment, these codes have widened economic disparities between provinces. They did not allow provincialization of development. Quite the contrary, these investments have been in search of economies of scale and have been concentrated mainly in Matadi, Kinshasa and Lubumbashi. This meant that for the Congolese state, the only sectors considered vital were mining, forest exploration and the search for new energy sources while industrializing industries were excluded.
It was for this reason that investors were obliged to settle in provinces where there was access to existing transportation network infrastructure, skilled labor and where raw material sources could be found of these provinces.
As can be seen, the development policy that the DRC had put in place at the time was the creation of three poles of industrial and economic development. The consequence of this policy today, that other provinces have been neglected for the benefit of some others, and this has led to the unequal distribution of investment projects on the national territory.
In this context, to combat these economic imbalances between provinces, it is essential to envisage at the level of SEZ, industries that should not only have complementarities between different provinces, but also maintain horizontal trade and cross-border 1 indus than simply having more relationships of buying and selling goods and services.

[13]PASSET René, idem, p.257.
[14]TIKER TIKER, Course Notes of Economic Geography of Zaire, 2nd Graduate, Faculty of Economic Sciences, University of Kinshasa, 1989.

Furthermore, the existence of a sufficient deboundary is a prerequisite for the creation of an economic activity in the bosom of a SEZ. Given the narrowness of the Congolese market, investors tend to locate in large cities where there are already large population agglomerations, and where they can be found in poverty, which may also explain the disparities between provinces. Hence the pressing need to create investment-friendly conditions through the construction of accommodation infrastructure in order to maximize the expansion of markets and create openings through economic activities.
With regard to the choice of branches, it should be specifically guided: by the concern to achieve economic and industrial integration, and this, from SEZ. Therefore, industrial branches to be implanted, must be designed taking into account possible integration links at the branch breast (vertical integration), between branches (horizontal integration).
In this context, it is desirable ' to ^regroup for example enterprises of the same sector in the same Special Economic Zone, at the instance of other countries, and this allows these industries to be very competitive, to favor innovation, exchange of technological expertise and facilitating knowledge diffusion across sectors.

4.1.3. National Economic Integration

The fundamental tool of rational industrialization therefore resides in national development planning. It is the indispensable basis for the capitals to be invested can be utilized efficiently.
Generally, it can be said of national economic integration that if the economy is integrated at both sectoral and regional (provincial) level, it assumes a self-centred economy with the valuation of local resources, the use of local means priority, a balanced development of the nation.
According to Andrew MULUMBA, “in the Democratic Republic of the Congo, national economic integration is not evident. Indeed, an extraverted economy like that of the DRC, where inter-industrial relations are very weak and regional industrial disparities are excessive, cannot be integrated into the national plan”.[15]
Thus, the Government, within the framework of setting up SEZ should, after thorough studies, direct investors towards those sectors of activities that actually contribute to economic and social development, and which, ipso facto, constitute the domains priorities on which the bulk of the investments should be directed. These sectors should not only create wealth and employment, but also and above all provoke the national economic integration of the country.
Such a vision would avoid the government falling into the mistakes of the past. Indeed, there is a situation in the SEZ, the same situation as was the case in the Inga Free Zones, as -specified by the two economists Michel MUBAKE and Damien SIMBI in these terms: “the absence of specific studies and of concrete .data can justify the usefulness of the Free Zone for the Congolese economy »[16].
Another thing, the DRC has an abundant labor force. For this purpose, high-intensity factor labor investments should be prioritized. To this effect, it would be necessary for the government to determine for each investment project, a minimum number of jobs in relation to the amount of capital invested, which would avoid large capital intensive investment inflows. In fact, the efficiency of SEZ will be a function of the benefits that would be drawn by the state relative to investors because more often than not the benefits drawn from investments are generally in favor of the state.
That is, special care should be taken by public powers in relation to opening the market of certain products to foreign competitors, to the extent that certain products are judged sensitive because they contribute to protect some of our essential industries, either because they are involved in preserving the employment of nationals, or even because they allow us to ensure food self-sufficiency (in the case of food industries for example) . We therefore cannot within the framework of SEZ, open the market to foreign investors for existing local industries since foreign investors are heavily subsidized, i.e., we are under an obligation to protect the industry locale.

V. FOREIGN DIRECT INVESTMENT

Foreign direct investment (FDI) is defined as a long-term investment in which a non-resident entity exercises significant management control (typically at least 10% of the voting rights) over a host country enterprise”[17].
FDI plays a key role as an engine of economic growth and development. Engaged under the right conditions, foreign capital can help reduce the gap between capital needs and domestic saving, raise the skill level of the host economy, improve market access, and contribute to Technology transfer and good governance.[18].

[15]MULUMBA KABASUKUTUSUA Andrew, The Investment Code and Industrial Strategy. From 1969 to 1990: balance sheet essay, memo for the end of the undergraduate cycle, Faculty of Economic Sciences, University of Kinshasa, 1998, p.56.
[16]MUBAKE, M., SIMBI, D., “The Industrial Policy of the Free Zone. Towards an Industrialization Strategy”, in Proceedings of the CEDAF-ASDOC Studies, No. 1, March 1984, p.91.
[17]DWIGHT, H. et al., The Economics of Development, eds. De Boeck, Brussels, 2008, p. 479
[18]GOLSTEN Andrea, Regional Integration, Foreign Direct Investment and Competitiveness in Southern Africa, ed. OECD, Paris, 2004, p.7

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The DRC is a vast landlocked country endowed with immense natural resources that has taken the initiative to attract FDI through the creation of SEZ.

Furthermore, it should be noted that capital attraction in SEZ is not only a function of FDI, but also of public investment and joint ventures.

Indeed, according to the literature review, since 1990, FDI has been the most important of all international capital flows into middle-income developing countries, surpassing either foreign bank loans or cross-border loans . Concerning the case of the DRC, the recourse to the formula of joint ventures in the creation of SEZ is indispensable if and only if, it leads to non-marginal economic domains, to entrainment effects and to multiple external economies. In this regard, Yvon BONGOY specifies: "currently, the existence of the sequelae of the open-door liberal economic policy, a non-prohibitive tax regime, various revenue collection facilities and, finally, a code of strong liberal investments, constitute incentives for the recourse to the formula of joint ventures in Zaire (DRC)".[19]

VI. PERSPECTIVE

More than half a century today, since the publication of various incentive measures taken by the Congolese state to attract foreign investment through notably the investment code, the mining code and the forestry code. Some of these reforms have been operated and continue to be operated to make them ever more effective and susceptible to attracting more private capital to the DRC.

Nevertheless, the analysis of the private investment projects implemented within the framework of these different laws has shown that the latter have failed to correct the sectoral and provincial imbalance. In other words, the economic structures inherited from colonization have not been ameliorated by war. Thus, the industrialization process of the DRC has remained dependent on the world, which shows that the goals of economic and social development are far from being achieved.

It is because of these repeated failures that the DRC Government is putting in place a law carrying the SEZ regime to attract fresh capital in order to create wealth and jobs, but also to eradicate poverty and unemployment in the country.

As NDONGAEA points out: "of our time, the aspiration of all the peoples of the world for industrial development becomes a legitimate but also a demanding and liberating right, even if the current economic crises inspire despair to the point see that an illusion »[20].

From the analysis of the law carrying the regime of Special Economic Zones "SEZ", the aim pursued by the legislator is to improve the socio-economic environment in order to make it conducive to the business climate, and to attract capital fresh to the country in a bid to boost the economy and reduce unemployment and poverty.

Indeed, the success of SEZ in the Democratic Republic of Congo is only possible if public powers, after thorough studies with a consequent state of places, come to determine the sectors of activities capable of contributing to socio-cognitive redevelopment of the country, and which, ipso facto, constituted the priority areas on which the bulk of investments should be directed. Likewise, the choice of industries to be implanted should lead to those that would provide outputs susceptible to increasing the productivity of other activity sectors.

Accounting for the strong concentration of current investments in the provinces of Katanga, the Lower Congo and the city of Kinshasa, the Congolese State should within the framework of the SEZ, offer increased tax incentives to investors both domestic and foreign to incentivize firms seeking to set up in the most enclaved regions. It is only at this price that national economic integration, the determining factor of any country's socio-economic development, can be achieved.

To conclude, we argue that the creation of SEZ in the DRC, constitutes an appropriate solution insofar as it would make the country's economy more diversified, attractive, actually competitive, dynamic and performing.

But in order to do so, the government must maintain the cap on the stability of the macroeconomic framework, the issue of basic infrastructure (roads, railways, waterways and ports, water and electricity) must be resolved quickly, because there of key factors can convince investors.

Other than these claims, the government should also finance industrial research and training centers in such a way that the country can supply skilled and specialized manpower in the field of industrial development without any further export.

Furthermore, there must also be a national consensus around democratic rules between, on the one hand, political actors and, on the other hand, civil society actors in order to ensure peace, an essential condition d 'attract investors to the country. All these elements combined constitute the key to the success of SEZ in the DRC.

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