Investments and growth: an analysis of the effects of public and private investment in the economies of Cameroon and Ivory Coast

Georges Dieudonne MBONDO, University of Douala
Romuald Fernand AWOUTCHA TCHIEUZING, University of Douala
Françoise Benjamine SOPPI ELONG, University of Douala

ISSN : 2509-0399
Date de mise en ligne : 07 octobre 2021
Pagination : 69-86

Reçu le : 22 juin 2021
Evalué le : 14 septembre 2021
Accepté le : 06 octobre 2021

Référence
Investissements et croissance : une analyse des effets des investissements publics et privés dans les économies du Cameroun et de la Côte d'Ivoire

Résumé

L’objectif du présent article est de mettre en évidence l’ampleur des effets d’éviction et d’entraînement des investissements publics en Côte d’Ivoire et au Cameroun d’une part, puis les contributions de ces derniers et des investissements privés à la croissance de ces deux économies d’autre part. Pour ce faire la décomposition du filtre Hodrick-Prescott faite sur des données de WDI (2019), pour montrer la présence de l’effet d’éviction, à court terme, dans les deux économies grâce à la composante cyclique, avec une amplitude plus élevée au Cameroun. La composante tendancielle quant à elle permet d’y dégager des effets d’entraînement certains des investissements publics sur les investissements privés. Par ailleurs, pour tenir compte de ces comportements dynamiques différents des investissements à court et à long terme, le modèle à correction d’erreur a été mobilisé pour montrer que les impacts directs individuels de l’investissement public et de l’investissement privé sur la croissance économique sont positifs, avec une sensibilité plus élevé au Cameroun qu’en Côte d’Ivoire. Ce résultat est probablement dû aux conséquences de l’effet d’éviction de l’investissement public sur l’investissement privé, plus fort au Cameroun qu’en Côte d’Ivoire.

Mots clés : investissement public, investissement privé, effet d’entraînement, effet d’éviction, croissance économique

Classification JEL : E62 ; E66 ; O43 ; C22

Abstract

The objective of this article is to highlight the extent of the crowding out and spillover effects of public investments in Ivory coast and Cameroon on the one hand, then the contributions of the latter and of private investments to the growth of these two economies on the other hand. To do that the decomposition of Hodrick-Prescott by WDI (2019) data, to show the presence of crowding in the short term, in both savings through the cyclic component, with higher amplitude at Cameroon. The trend component makes it possible to identify the spillover effects of public investment on private investment. Moreover, to take account of these behaviors different investments dynamics short and long terms, the error correction model was mobilized to show that are impacts directs individuals public investment and of private investment on economic growth are positive, with greater awareness in Cameroon than in Ivory coast. This is probably due to the consequences of the effect of crowding out public investment on private investment, stronger in Cameroon than in Ivory Coast.

Keywords: public investment, private investment, training effect, crowding out effect, economic growth

JEL Classification : E62 ; E66 ; O43 ; C22
General introduction

The relationship between investment and economic growth seems rather obvious, since in a market economy, investment is the result of accumulation, a transformation of savings into a fundamental factor of growth. In fact, this status of investment has been recognized since the exogenous growth theory by Solow (1956). It also occupies a prominent place in Schumpeter (1939) analysis of innovation and is still be considered as the most important explanatory factor of the failure of growth in developing countries, particularly in sub-Saharan Africa. In fact, in these economies, the lack of private savings to fuel private investment was seen as the cause of their lack of growth, and hence of their development lag. This is in part what explained the use of public debt in these countries, to supplement private investment by public investment, and create an economic fabric favorable to growth, and move the economic catch-up as allowed predict Solow's conclusions (...). But the explanation also came from the Keynesian theory of insufficient aggregate demand, paving the way for public investment spending to bail out the latter through a multiplier effect and revive economic growth.

Only, if Keynesian stimulus therapy through public spending or investment seemed so elegant, it was not devoid of side effects all that. The risk of crowding out private investment by public investment was so great that the hoped-for spillover effect was in serious danger of being diluted in the crowding out effect. The contribution of public investment to growth would then become insignificant or even negative.

In addition, the growth accounting in Solow's model (...) shows that the important part of the explanation of growth being attributed to the residual variable, questions arise on the quality of the measurement of traditional variables such as the investment. This squareness of Solow's model (...) is the basis of the emergence of theories of endogenous growth, through the work of Barro (1990), Romer (1986) and Lucas (1988), who put forward the importance of endogenous factors in the process of economic growth. Since the latter, in fact, it appears that as a source of productive supply and therefore of economic growth, the impact of public investment on growth is positive and significant, as shown by the work of Barro (1990) and the econometric models of Aschauer (1989).

In practice, according to the World Bank (2017), the distribution of investments in sectors of the economy should be at least 25% of real GDP per year to promote modernization of the economy and sustainable economic growth. The latter being a
process of sustainable increase in the volume of production of wealth’s a national community, poor countries’ economies such as Cameroon and Ivory coast, need tools allowing adequate dosing investment public. Thus, the analysis of the contribution of investments to economic activity often focuses on the effects of public investment on private investment on the one hand, and on the effects of investments on growth on the other deserves serious attention.

In particular, public investments can intensively or extensively develop the production and exchange capacities of the private sector and promote private investment and economic growth. In Cameroon and the Ivory Coast, the decline investment was excessive for years economics crisis that and obsolete public infrastructure are forcing down or slowing the economic growth in these countries (Bandoma et al., 2017; Ehrhart, 2017; Ouattara, 2011). Much work has shown that public investment and private investment can interact. Thus, if increased public spending benefits infrastructures such as roads, bridges, and the like, private investment may well be positive. For better infrastructure are likely to increase the marginal productivity of the private sector and create an effect of return of private investment with impact positive on economic growth and (Ghazanchyan and Stotsky, 2013). If on the other hand, public investments are in the manufacturing sector where the state competition the private sector, it is possible that they reduce privates investments. Because in this case, the State acts on the opportunities of the private sector. A substitution effect between private and public investments occurs with mixed results on economic growth (Creel et al, 2015).

In addition, public and private investment have different magnitude effects on the rate of economic growth (Khan and Reinhart, 1990). The role of private investment could be significant due to the importance of the private sector in the economy. Likewise, the positive effect of public investment on economic growth could come from the necessary infrastructure, such as roads, airports, ports and public buildings, carried out by the state (OFCE, 2016).

The objective of this article is to highlight the extent of the crowding out and spillover effects of public investments in Côte d'Ivoire and Cameroon on the one hand, then the contributions of the latter and of private investments to the growth of these two economies on the other hand. To do this the decomposition of HP filter made on (WDI
data, 2019), to show the presence of crowding in the short term, in the two economies through the cyclical component, and a component as for this trend, it is possible to identify the spillover effects of certain public investments on private investments. Furthermore, to reflect the different dynamic behavior of short and long-term investments, the error correction model was mobilized to highlight individual direct impact public and private investment on economic growth in Cameroon and Ivory Coast.

The remainder of the article is organized as follows: section 2, the magnitude of the crowding out and spillover effects in the Cameroonian and Ivorian economy; section 3, the methodology for estimating the contribution of investments to the growth; section 4, the implications of the results of the contributions highlighted and section 5 concludes the article.

1. The magnitude of the crowding out and spillover effects in the Cameroonian and Ivorian economies

If the empirical literature on growth has insisted on the existence of crowding out effects and spillover effects, it has remained fairly silent on the extent of these effects and the possibility of dilution of one in the other. The purpose of this section is to highlight the magnitude of crowding out or spillover effects, and to show that the structure of these effects characterizes the growth dynamics in Cameroon and Ivory Coast.

Faini (1994) demonstrates that there is a knock-on effect between public and private investment in Cameroon and Ivory Coast on data from 1977 to 1994. By completing these data up to 2017, not only do we highlight the same results on longer series, but we also present their magnitudes and co-movements.

In Cameroon over the period from 1977 to 2017, graph 1 shows the trends below.
**Graph 1**: Evolution of public investment and private investment in Cameroon from 1977 to 2017.

![Graph 1](image1.png)

**Source**: world development indicators 2019

The graph shows that the increase in public investment (IG_cmr) is concomitant with that of private investment (IP_cmr) over the periods 1977 to 1985 and from 1997 to 2017. However, over the first period, with a rate of growth of public investment higher than that of private investment. Over this first period, accelerations in public investment are accompanied by slowdowns in private investment. And over the second period, 1997 to 2017 with a growth rate of private investment higher this time than that of public investment. In the first period, there is crowding effect and in the second period, there is spillover effect of public investment on private investment.

**Graph 2**: Evolution of public investment and private investment in Ivory coast from 1965 to 2017

![Graph 2](image2.png)

**Source**: World Development Indicators 2019

This graph shows that a variation on the rise or fall of public investment in Ivory Coast causes a variation in the same of the investment deprived during the study.
period. From 1965 to 1992, the two types of investments have the same profile. From 1993, the increase in public investment led to a more than proportional increase in public investment in Ivory Coast. Instantaneous and shifted co-movements from one indicator to another are estimated using the methodology drawn from the work of Agénor and al (2000) and Rand and Tarp(2002). We seek to identify the cyclical sequence between public investment and private investment. The Hodrick prescott filter is used to separate the structural component from the cyclical component for each economic indicator.

In the long term, using the trend component resulting from the decomposition of the Hodrick and Prescott filter,(1980), private investment is strongly procyclical and coincides with private investment in Ivory Coast and Cameroon (Table 1). In the long term, one can suspect a simultaneity of the behavior of the public and private investments in the two countries.

**Table 1: Co-movements between public investment and private investment**

<table>
<thead>
<tr>
<th></th>
<th><strong>public investment and private investment</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ivory Coast</td>
<td>Private investment is strongly procyclical and coincides with public investment because for ( j=0,</td>
</tr>
<tr>
<td>Cameroon</td>
<td>Private investment is strongly procyclical and coincides with public investment because for ( j=0,</td>
</tr>
</tbody>
</table>

*Source: authors' construction*

In the short run (Table 2), private investment is weak countercyclical public investment in Ivory Coast: the increases in the private investment almost coincident down phases of public investment. There seems to be a crowding out of private investment by public investment over short periods of time. Likewise, the situation is identical in Cameroon but with a stronger linkage range. Private investment is also countercyclical to public investment, that is to say the downward phases of public investment coincide with the upward phases of short-term private investment.

In the short term, it seems to have an effect of crowding out private investment by public investment in Ivory Coast and Cameroon, but of a greater magnitude in Cameroon.
Table 2: co-movements between the public investment cycles and private investment

<table>
<thead>
<tr>
<th>Country</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ivory Coast</td>
<td>Private investment is weakly counter-cyclical to public investment because for j = 0, ( \lambda(j) = 0.3,878 ) is maximum</td>
</tr>
<tr>
<td>Cameroon</td>
<td>Private investment is moderately counter-cyclical to public investment because for j = 0, ( \lambda(j) = 0.4920 ) is maximum</td>
</tr>
</tbody>
</table>

Source: authors' construction

These different short and long-term results constrain the use of the error correction model. This model allows simultaneous analysis of short-term and long-term dynamics in an estimate.

2. The methodology for estimating the contribution of public and private investments to the growth

The econometric model for evaluating the impact of investments on economic growth in Cameroon and Ivory Coast is an accelerator model inspired by the framework of error correction modeling of the Engle and Granger(1987) which makes it possible to analyze the short-term and long-term effects in the same estimate.

The long-term relationship is built from the following relationship:

\[
\text{Log}(\text{GDPR}) = \beta_1 + \beta_2 \text{Log}(\text{IP}) + \beta_3 \text{Log}(\text{DEXT}) + \beta_4 \text{Log}(\text{IG}) + \varepsilon \tag{1}
\]

With:

\[
\beta_4 = \beta_4 + \beta_5 \text{Log}(\text{IP}) + \beta_6 \text{Log}(\text{DEXT}) \tag{2}
\]

Substitute (2) in (1):

\[
\text{Log}(\text{GDPR}) = \beta_1 + \beta_2 \text{Log}(\text{IP}) + \beta_3 \text{Log}(\text{DEXT}) + \beta_4 \text{Log}(\text{IG}) \ast \text{Log}(\text{IP}) + \beta_5 \text{Log}(\text{IG}) \ast \text{Log}(\text{DEXT}) + \varepsilon \tag{3}
\]

Or in the end:

\[
\text{Log}(\text{GDPR}) = \beta_1 + \beta_2 \text{Log}(\text{IP}) + \beta_3 \text{Log}(\text{DEXT}) + \beta_4 \text{Log}(\text{IG}) + \beta_5 \text{IGP} + \beta_6 \text{DEXTG} + \varepsilon \tag{4}
\]

With:

The dependent variable: PIBR, Gross Domestic Product R Unified Live.

The explanatory variables:

- IG, RealPublic Investment
- IP, Real Private Investment
DEXT, Real External Private Debt
IGP, Product of public investment and investment private
DEXTG, Proceeds from external debt and investment public

Expected theory signs this specification long term model are the following:
- $\beta_2 > 0$, the positive effect of private investment on economic growth;
- $\beta_3 < 0$, the negative effects of external debt on long-term economic growth;
- $\beta_4 > 0$, the positive effect of investment public on economic growth;
- $\beta_5 > 0$, the positive impact of public investment on private investment (spillover effect);
- $\beta_6 > 0$, the positive impact of the external debt on public investment

Considering the short-term dynamics, the model to be estimated becomes:
\[
\text{DLog}(GDPR) = \beta_1 + \beta_2 \text{DLog}(IP) + \beta_3 \text{DLog}(DEXT) + \beta_4 \text{DLog}(IG) + \beta_5 \text{D}(IGP) + \beta_6 \text{D}(DEXTG) + \beta_7 \text{Log}(GDPR (1)) + \beta_8 \text{log}(IP) + \beta_9 \text{log}(DEXT) + \beta_10 \text{log}(IG) + \beta_11 \text{IGP} + \beta_{12} \text{DEXTG} + \epsilon
\] (5)

3. The analysis and implications of the results of the contributions highlighted

The estimation of the error-corrected model supersedes the variable stationarity test and the cointegration test. The Philip-Perron test (1988) is used for the stationarity of variables because not only is it efficient but in addition, it is stable. The indicators used are stationary in level because the study variables are linearized. Then a Cointegration test of the variables s is carried out. The term cointegration was first introduced by Engle and Granger(1987) after work published by Granger and Newbold(1974) on erroneous regressions. The results of this test show that there is at least one relation of cointegration between the explained variable and the explanatory variables.

3.1. Analysis of results in Cameroon

This paragraph presents the results allowing to determine if the investments influence the economic growth in Cameroon.
Table 3: Result of the estimation of the model on Cameroon data

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>VS</td>
<td>30.26521</td>
<td>14.77261</td>
<td>2.048737</td>
<td>0.0496</td>
</tr>
<tr>
<td>DLOG (IP_CMR)</td>
<td>1.164866</td>
<td>0.878270</td>
<td>1.326319</td>
<td>0.1951</td>
</tr>
<tr>
<td>DLOG (IG_CMR)</td>
<td>1.769567</td>
<td>1.869250</td>
<td>0.946672</td>
<td>0.3516</td>
</tr>
<tr>
<td>DLOG (DEXT_CMR)</td>
<td>0.547081</td>
<td>1.728279</td>
<td>0.316547</td>
<td>0.7539</td>
</tr>
<tr>
<td>D (IGP_CMR)</td>
<td>-0.041870</td>
<td>0.034960</td>
<td>-1.197654</td>
<td>0.2407</td>
</tr>
<tr>
<td>D (DEXTG_CMR)</td>
<td>-0.023384</td>
<td>0.065558</td>
<td>-0.356699</td>
<td>0.7239</td>
</tr>
<tr>
<td>LOG (GDPR_CMR (-1))</td>
<td>-0.036963</td>
<td>0.137273</td>
<td>-0.269263</td>
<td>0.7896</td>
</tr>
<tr>
<td>LOG (IP_CMR (-1))</td>
<td>-1.593791</td>
<td>0.574466</td>
<td>-2.774387</td>
<td>0.0096</td>
</tr>
<tr>
<td>LOG (IG_CMR (-1))</td>
<td>-1.120199</td>
<td>0.598720</td>
<td>-1.870989</td>
<td>0.0715</td>
</tr>
<tr>
<td>LOG (DEXT_CMR (-1))</td>
<td>0.683351</td>
<td>1.068882</td>
<td>0.639314</td>
<td>0.5276</td>
</tr>
<tr>
<td>IGP_CMR (-1)</td>
<td>0.061447</td>
<td>0.023107</td>
<td>2.659231</td>
<td>0.0126</td>
</tr>
<tr>
<td>DEXTG_CMR (-1)</td>
<td>-0.026495</td>
<td>0.039507</td>
<td>-0.670635</td>
<td>0.5078</td>
</tr>
</tbody>
</table>

R-squared          0.770482  Meandependent var  0.079249
Adjusted R-squared 0.683424  SD dependent var  0.078505
SE of regression   0.044171  Akaike info criterion -3.162419
Sumsquaredresid    0.056581  Schwarz criterion -2.660885
Log likelihood     76.82958  Hannan-Quinn criter. -2.979788
F-statistic        8.850172  Durbin-Watson stat  2.059619
Prob (F-statistic) 0.000001

Source: Authors, based on our estimates on Eviews10

3.1.1. Short-term elasticity

In the short term, in Cameroon, an increase in public investment of 1% accelerates economic growth by 1.70%. This is in line with the economic theory that public investments have a positive and significant effect on economic growth. Private investment also has a positive effect on short-term economic growth. A 1% increase in private investment accelerates economic growth by 1.16%. Finally, a 1% increase in public and private investment has a negative effect on economic growth of 0.04% due to a crowding out effect between the two variables.
3.1.2. **Long-term elasticity**

The long-term elasticity of public investment in relation to economic growth is:

\[
\frac{-1.12}{-0.03} = 37.33
\]

In the long term, if public investment in Cameroon increases by 1%, economic growth increases by 0.37%.

The long-term elasticity of private investment with respect to economic growth is:

\[
\frac{-1.59}{-0.03} = 53
\]

In the long term, if private investment increases by 1%, economic growth increases by 0.53%.

The long-term elasticity of the proceeds of public and private investment with respect to economic growth is:

\[
\frac{0.06}{-0.03} = -2
\]

In the long term, there is a crowding out effect between public and private investment, which negatively affects economic growth of 0.02%.

3.2. **Analysis of results in Ivory Coast**

As in the previous paragraph, we will present here the results allowing to determine if the investments influence the economic growth in Ivory coast.
Table 4: Result of the estimation of the model on data from Ivory Coast

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Variable</strong></td>
<td><strong>Coefficient</strong></td>
<td><strong>Std. Error</strong></td>
<td><strong>t-Statistic</strong></td>
</tr>
<tr>
<td>VS</td>
<td>-62.61365</td>
<td>22.10745</td>
<td>-2.832242</td>
</tr>
<tr>
<td>DLOG (IP_CIV)</td>
<td>0.980577</td>
<td>0.942005</td>
<td>1.040947</td>
</tr>
<tr>
<td>DLOG (IG1_CIV)</td>
<td>1.610763</td>
<td>0.738295</td>
<td>2.181735</td>
</tr>
<tr>
<td>DLOG (DEXT_CIV)</td>
<td>0.761140</td>
<td>0.894395</td>
<td>0.851011</td>
</tr>
<tr>
<td>D (IGP1_CIV)</td>
<td>-0.028577</td>
<td>0.035868</td>
<td>-0.796711</td>
</tr>
<tr>
<td>D (DEXTG1_CIV)</td>
<td>-0.036077</td>
<td>0.033884</td>
<td>-1.064745</td>
</tr>
<tr>
<td>LOG (GDPR_CIV (-1))</td>
<td>-0.110106</td>
<td>0.044777</td>
<td>-2.458987</td>
</tr>
<tr>
<td>LOG (IP_CIV (-1))</td>
<td>-0.616721</td>
<td>0.394074</td>
<td>-1.564989</td>
</tr>
<tr>
<td>LOG (IG1_CIV (-1))</td>
<td>-0.760800</td>
<td>0.422537</td>
<td>-1.800553</td>
</tr>
<tr>
<td>LOG (DEXTG1_CIV (-1))</td>
<td>15.48875</td>
<td>5.727778</td>
<td>2.704147</td>
</tr>
<tr>
<td>IGP1_CIV (-1)</td>
<td>0.028693</td>
<td>0.015313</td>
<td>1.873759</td>
</tr>
<tr>
<td>DEXTG1_CIV (-1)</td>
<td>-0.028103</td>
<td>0.010402</td>
<td>-2.701806</td>
</tr>
</tbody>
</table>

R-squared                          | 0.800342               | Mean dep. var                | 0.075927                                   |
Adjusted R-squared                 | 0.731710               | SD dep. var                  | 0.079937                                   |
SE of regression                   | 0.041405               | Akaike info criterion        | -3.303853                                   |
Sum squared resid                   | 0.054859               | Schwarz criterion            | -2.817256                                   |
Log likelihood                      | 84.68477               | Hannan-Quinn criter.         | -3.123399                                   |
F-statistic                        | 11.66130               | Durbin-Watson stat           | 2.560663                                   |
Prob (F-statistic)                 | 0.000000               |                              |                                            |

Source: author’s, from our estimates Eviews10.

3.2.1. Short-term elasticity
On short-term, an increase in the public investment of 1% accelerates economic growth of 1.61%. This is in line with the economic theory that public investments have a positive and significant effect on economic growth. Private investment also has a positive effect on short-term economic growth. A growth of 1% of the private investment accelerates economic growth by 0.98%. Finally, a 1% increase in investment s public and private has a negative effect on economic growth of 0.02% because of the crowding between the two variables.
3.2.2. Long-term elasticity

The long-term elasticity of public investment in relation to GDP is:

\[ \frac{-0.76}{-0.11} = 6.90 \]

In the long term, if public investment in Côte d'Ivoire increases by 1%, economic growth increases by 0.069%.

The long-term elasticity of private investment relative to GDP is:

\[ \frac{-0.61}{-0.11} = 5.54 \]

In the long run, if private investment increases by 1%, economic growth increases by 0.05%.

The long-term elasticity of external debt to GDP is:

\[ \frac{15.48}{-0.11} = -140.72 \]

In the long term, if the external debt increases by 1%, we have an economic recession.

The elasticity of the product of public investment and private investment in relation to GDP is:

\[ \frac{0.02}{-0.11} = -0.18 \]

In the long term, there is a crowding out effect between the two variables. What contributed negatively to economic growth of 18%.

4. Conclusion and comments

It is now recognized that investments are an effective means of ensuring modernization and economic growth. Public investment, like private investment, is therefore at the heart of the concerns of decision-makers at the international level. In this sense, the commitments made by African countries to make public investment a stimulus for private investment through the establishment of structural infrastructure. This challenge requires governments and their development partners to continue the efforts already initiated. On the basis of these results, the economic policy recommendations in relation to the results of the estimate revolve around a few axes.

Promote the private sector and its investment

Governments should promote the private sector which, recognized elsewhere as an engine of economic growth, contributes little to long-term growth. The State must put in place the conditions necessary to improve the investment climate. This can involve...
several actions, in particular improving the supply of electricity because, a study carried out by the World Bank in June 2006 shows that the quality and availability of infrastructure (linked to the supply of electricity and to transport) serious business problems. The State must therefore strengthen and modernize its electricity distribution and transmission networks in order to guarantee the private sector a constant and viable source of energy to boost the latter's productivity. This preliminary and essential step would allow the government to develop additional hydroelectric dams in order to release the positive effects of public investment on private investment and thus boost the economy. The government should integrate the private sector effectively in the realization of infrastructure projects. This would go through the establishment of infrastructure investment funds, with the intensification of public-private partnership and also the concession. It is in this sense that, given the constraints weighing on their budgets, the public authorities should call more on the private sector for the financing and management of public infrastructure.

**Promote productive public investment**

Public investment spending should not be too subject to the constraint of fiscal policy, at the risk of undermining the dynamism of the private sector and compromising long-term growth potential.

The State will therefore have to continue to ensure its role as a locomotive in the economy by making viable through the realization of significant investments which constitute a strong signal to the private sector.

In addition, public investment could play an important role in reducing development disparities between regions with the least infrastructure capital. This requires a serious analysis of needs with regard to regional specificities. Because the way in which development infrastructure needs are defined as well as their nature have direct implications on what will be built but also on the investments that will be devoted to it. The choice of location for a productive investment can have an effect on its economic and social profitability.

**Promote sustainable economic growth**

The authorities are called upon to make a good combination of all the other determinants of the gross domestic product in order to have a higher level of it, favorable to the accumulation of private capital.
The investment being in turn an important factor in the increase of national wealth, this will allow the economies of Cameroon and Côte d'Ivoire to regain their growth rates over time and to fight effectively against poverty.

The role of the state in the economy has always been the subject of debate in the economic literature. Among the arguments, the one according to which public expenditure and more particularly public investment would stimulate the accumulation of private capital was of particular interest to us in the case of the Cameroonian and Ivorian economy.
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