

The illusion of budget universality in the Algerian An analysis of current budgetary public financial law issues

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Summary :

In Algeria, the economic and institutional reforms undertaken during the 1990s brought new structures and missions for which the State is completely responsible. The rapid expansion of its role has led to the multiplicity of funds and the complication of the public financial flows. The public authorities have focused on the accomplishment of some fragmentary and temporary public policies rather than developing ways to improve budget discipline and ensure control over expenditures. In this context, this article aims at studying the budget universality principle, in the sense that it allows revealing the main anomalies in budgetary management. The universality of the budget has become complex and illusory, and it only exists through its exceptions. As oil prices continue to decline, the Algerian budget is not immune to an eminent fiscal crisis. The budgetary issues would be intensified if budgetary principles, including the universality principle, are not reassessed and adapted to the particular context.

Keywords:

Algeria; Budget principles; Budget universality principle; Public budget; Budget law; Budget reform.

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جدلية مبدأ شمولية الميزانية في القانون العام المالي الجزائري تحليل للقضايا الميزانية الحالية

الملخص :

لعبت الإصلاحات الاقتصادية في نطاقها الموضوعي والمؤسسي والتي شهدتها الجزائر في سنوات التسعينات، ظهور عديد الهياكل والآليات المرتبطة مباشرة بالدولة. في حين أن التطور الذي صاحب تلك الإصلاحات أدى إلى تشعب مصادر الأموال وغموض جلي فيما تعلق بالتدفقات المالية الخاصة بتلك الهياكل والآليات، ما دفع السلطات العامة إلى اللجوء للحلول الوقتية والجزئية بدلا من البحث عن السبل الكفيلة في إطار سياسة واضحة وفعالة لضبط الميزانية ومراقبة النفقات العامة. ويهدف هذا المقال إلى التطرق وتوضيح مبدأ من أهم مبادئ الميزانية المتعارف عليها عالميا ممثلا في مبدأ شمولية الميزانية، ذلك المبدأ الذي أحطت به العديد من التحديثات التي زادت من التعقيدات والغموض المحيط به، خصوصا في ظل العقوبات التي تلاحقها مالية الدولة من حيث نقص المداخل في ظل إنخفاض أسعار النفط. وهذا ما جعل بالضرورة ميزانية الدولة الجزائرية تتعرض لأزمة سيولة، بحكم تأثرها على غرار الدول الأخرى في ظل الأزمات التي يشهدها العالم. وهذا ما يجعل من الحتمية إعادة النظر في العديد من البدائل والتي مسها التطور والتحول على غرار المبادئ التي ترتبط بالمالية العامة ومن بينها مبدأ شمولية الميزانية.

الكلمات المفتاحية:

الجزائر، المبادئ الميزانية، مبدأ شمولية الميزانية، الميزانية العمومية، القانون الميزاني، الإصلاحات الميزانية.

L'illusion de la règle d'universalité budgétaire en droit public financier algérien Une analyse des problématiques budgétaires actuelles

Résumé :

En Algérie, les réformes économiques et institutionnelles engagées au cours des années 1990 ont apporté de nouvelles structures et missions dont l'État est entièrement responsable. L'expansion rapide de son rôle a ainsi conduit à la multiplicité des fonds et à la complication des flux financiers publics. Ainsi, les autorités publiques se sont concentrées sur la réalisation de certaines politiques publiques fragmentaires et temporaires plutôt que sur le développement de moyens d'améliorer la discipline budgétaire et d'assurer le contrôle des dépenses. Dans ce contexte, cet article vise à étudier le principe d'universalité budgétaire. Il permet de révéler les principales anomalies de la gestion budgétaire. L'universalité du budget est devenue complexe et illusoire, et elle n'existe qu'à travers ses exceptions. Alors que les prix du pétrole continuent de fluctuer, voire chuter sensiblement, le budget algérien n'est pas à l'abri d'une grave crise budgétaire. Les problèmes budgétaires s'intensifieront si les principes

budgétaires, y compris le principe d'universalité, ne seront pas réévalués et adaptés au contexte actuel.

Mots clés :

Algérie, principes budgétaires, principe d'universalité budgétaire, budget public, loi de finances, réforme budgétaire.

Introduction:

*"It is not enough for a State to collect resources, it is necessary to use them completely to cover all the necessary services (...) and has to avoid any waste in superfluous expenditures"*¹. It is permissible to suppose that when Paul Leroy-Beaulieu wrote those words in the 19th century, he was thinking particularly on principles guiding budget formats. Normative theory in budgeting, based on values rather than observation, introduced a set of principles governing the budget process. The quality of public financial management was an important aspect in the budget literature. It could only be achieved by a number of technical principles at the service of government. Throughout these rules, the Parliament should control and understand how the government was managing public resources, including the level of spending to avoid any waste and inefficiency. Reflecting a fiscal discipline approach, the principles date back at least to the beginning of the 19th century. They are taught today in law schools and other university programs, and are included in many budget legislation systems in the world.

Thus, the public budgets should be developed in the respect of a set of budgetary principles that include²: The annuality principle (leading to the adoption of the budget on an annual-basis); - the unity and the universality which ensure the clarity of budgetary information for an adequate decision making; - the specificity which allows a detail of appropriations, and rationalizes the adoption process of the budget; - the balance principle which implies a balance in resources and expenditures of the budget. These principles are characterized by their durability over time by adapting themselves to new constraints based on the necessity of introducing a flexibility in the management of the public finance.

However, the principle of universality is central in the management of the public finances. It bears within itself a double prospect. On the one hand, it conditions the realization of both traditional principles of unity and annuality: the first principle is material, in the sense that all the expenditures and revenue should be included in a unique document. The second is temporal, meaning that this universality should be *a priori* limited within the annual framework. On the other hand, the budget universality prefigures a new set of principles as transparency or sincerity. The study of the universality principle appears crucial in the sense that it allows revealing the main anomalies in budgetary management.

In Algeria, the economic and institutional reforms undertaken during the 1990s brought new structures and missions for which the State is completely responsible. The rapid expansion of the role of the State has led to the multiplicity of funds and the complication of the public financial flows. The public authorities have focused on the accomplishment of some fragmentary and temporary public policies rather than developing ways to improve budget discipline and ensure control over expenditures; so that they could be consistent with universality principle. It must also be noted that the success of the ongoing budgetary reform project depends on how the basic rules of public finance law could be fully observed by the executive, and carried out in a manner to avoid weaknesses in the budget process.

However, the Algerian budget practices interfere with legislative principles governing budget management. Theory is often weakened by the complexities of reality and measures carried out by government's authorities³. Some principles are either idealistic or not materialized because of the complex nature of events and the overlapping of budgetary situations⁴. The budget process can no longer provide a perspective for future, and is often confounded in the day-to-day decision making.

Two major arguments have been advanced to explain this issue⁵. One holds that a new result-oriented budgetary framework should be introduced. The performance budgeting, based on the relationship between program funding and results, would restore a comprehensive budget process within a defined public policy. The new performance-based budgeting process would be a solution for program administrators to manage more efficiently and effectively, the various budget outlays. Another assured that, the perturbation of the budget process is mainly due to a fragmentary public policy that the budget process can not follow. The government's scope of intervention in the economy has become too large. The budget process framework cannot incorporate this approach. Thus, a clear and sound public policy would restore the actual budget process⁶.

Although these opinions are on budgetary matters, they all seem to agree that the budget process is the corner stone of any governmental action. What needs to be performed in priority is to rehabilitate the principles governing it, considered mostly as outmoded. However, they seem to have ignored the starting point for assessment: is the traditional principle itself inappropriate or rather is the environment of budgeting undermining its content? This article aims at examining the sense of the basic budgetary principles, particularly the concept of budget universality.

In fact, there is a common belief on the validity of the budgetary principles, and the questioning on factors which would influence their applicability in the budget process has not taken place. Thus, budget management will not be exempted by many contradictions and anomalies sometimes raised by the Audit Court (*Cour des Comptes*) reports. Although it is necessary in building a sound

budget management system (I), the principle of universality is weakened in the reality of numerous flows of funds which do not appear in the budget documents. Most appropriations appear through extra-budgetary funds, without appropriate monitoring. The universality of the budget has become complex and illusionary (II), and it only exists through its exceptions. As oil prices continue to decline, the Algerian budget is not immune to an eminent fiscal crisis. The budgetary issues would be intensified if budgetary principles, including the universality principle, are not reassessed and adapted to the particular context.

I. Budget universality : a necessary principle

In Algeria, the changing economic context and the increasing role of the State in the economy (A) justify the revalorization more than ever before of the traditional principle of universality. Its scope is at the center of the budgetary management (B).

A. The context of the Algerian budget

Since independence, the society relied on the government for investment and development processes. The public authorities called through the budget to satisfy the main society's needs including: subsidized food, infrastructure, housing, education and employment. Thanks to the hydrocarbons sector providing about 65 percent of public revenues⁷, government has met some expectations⁸. However, many reports pointed out the insufficient role of the budget in the development process of the Algerian society. In conducting the economic policy, the government had to handle a duality of contradictory budget instruments. On the one hand, there is the general budget as a legal instrument governed by the 1984 Budget framework Law No. 84-17 of July 7, 1984 (*loi relative aux lois de finances*), and its financial transactions exceptions; on the other, a medium term massive investment program⁹ decided politically, and supported by the large oil revenues windfall. Although the investment program appropriations are budgeted to some extent, the coordination within the budget process seems to be vague. The Algerian budget has to adapt to this parallel commitment in order to cope with the political decision. Hence, budget universality principle is contradicted by the large amounts of funds allocated and decided outside the budget process. The large infusion of oil funds outside the regular budgetary process shows that, the universality rule is ineffective to cope with chronic socioeconomic problems such as inadequate housing, infrastructures and inequalities. Several complex funds and fiscal activities exist. Some of them are included in the budget and many others are excluded and escape the traditional budgetary principles. Calls for a consolidated and comprehensive budget have dimmed in the face of continuing fragmentation, growing off-budget activities, various tax expenditures, multi-purpose earmarked funds, etc.

In fact, there is a good reason to assume that there is an implicit recognition that the 1984 framework Law principles are outmoded. A more flexible method for

public policy management and planning is needed. The actual budgetary framework could no longer meet the expectations of a sound public policy. What is required is a process which can replace the universality principle within its context to allow a unified budget policy.

Finally, recent years have seen less involvement of Parliament members in the control of budgetary flows to ensure the respect of budget principles. It has only been reduced to a mere rubberstamping of the budgets predetermined by the executive. In voting the budget, the legislature has just an incomplete picture of government finance because some important funds and flows do not appear in the budget document. The legislative authorities are sometimes asked to pass a supplementary budget at the request of government without complete information on the whole budget expenditures¹⁰. This inertia of a constitutional and political function should be reactivated as soon as possible for sound account control, and expenditure monitoring. However, it is necessary to renovate the actual principle before introducing new methods.

B. The principle of universality : a universal concept

Modeled on the French law system, the Algerian budget management obeys the general principle of universality which is incorporated in budget law, without question. The budget principle is so central that is necessary to introduce it in any budget system. Its implementation would lead to efficient financial management. Also, the temporary renewal of the French legislation after the Algerian independence contributed to embodying these budgetary principles in the national law. Furthermore, research works on the French budgeting system are often done by law faculty professors. They pointed out how essential the traditional principle is, in building a sound budget system making the principle universal. Today, the principle is found in many countries' laws. It is enshrined in the Treaty establishing the European community, and is developed as other budgetary principles in the Council of Financial Regulation applicable to the general budget of the European Communities.

According to Jean Luc Albert¹¹, the principle of universality is the result of the unity principle. It implies that the budget presented has to be sincere and comprehensive. Thus, the universality requires, first, a sincerity of budgetary evaluations (there is no overstatement or underestimation of both expenditures and revenues). Second, it requires the sincerity of the budgetary perimeter to be defined. That condition includes the rule of comprehensiveness that assumes that all financial operations of public institutions should be included in the budget. Third, the principle consists of the sincerity of presentation of revenues and expenditures, in their gross amounts without being set off against each other.

In the 1984 Budget Framework Law, the principle of universality is more restrictive, and has the same content as the French Law. It means that the total revenue must cover the total expenditure. In other words, the revenue in the

budget constitutes a common fund which is used to finance all expenditures without distinction. Put legally, the universality principle encompasses, moreover, two important budget rules. The first called *the non-assignment rule*, meaning that budget revenue must not be assigned to specific expenditure (Article 8). Technically, the specialization of revenue is dangerous for the public financial management, and could lead to waste and inefficiency, if the public service has more resources than its needs. The natural tendency of any administration would be to bring the expenditure to the revenue level. However, if in spite of an assignment, the public service is carrying a deficit, it will turn to the general budget to ask for an additional provisioning. The second rule, as explained above, known as the gross budget rule, prevents any adjustment of revenue and expenditure against each other: they must both be recorded in full in the budget without being set off against each other. In the past, the budget universality principle solved many financial issues dominated by scattered funds, freeing the government from parliamentary control. The implementation of the budget universality principle, allowed the consolidation of revenues and expenditures into a single document enabling comprehensive assessment of the budget, and the fiscal balance generated. The 1984 Budget Framework Law nevertheless allows some exceptions. It retained a number of articles devoted to the earmarking of revenues, budget annexes and special treasury accounts (STA). These exceptions are mainly technical and may be used to simplify procedures. Their use should be rare and exceptional.

The idea of the budget universality also gave rise to a number of objectives. These included:

Financial unity: The budget universality would provide a full picture of the government's financial transactions. The financial unity reflects a certain vision of the State, long-established in modern public financial management. The state is an overall enterprise. All revenues generated should be pooled, and be subject to general arbitration, which reflects the implementation of the public interest concept. The financial unity has been underlined by the French Constitutional Council¹² as a requirement of the principle of universality. Through its implementation, the principle ensures two functions. On the one hand, a technical function including the clarity of the accounts of the State; on the other, a political function allowing effective control of the Parliament. The financial unity participates also to control total expenditure within aggregate fiscal discipline purpose. Putting limits on the totals, the budget authorities can contain the risk of high deficits and rise in public expenditure ratio to GDP¹³.

Allocation: The universality principle is one of the requirements for achieving allocative efficiency. The allocative function can only be achieved if the budget is comprehensive and captures all of the financial transactions of government—the total revenues to be collected, funds to be expended, etc. Implementation of the principle, means that all public funds are subject to the same budget planning

and policy choices. According to Allan Schick¹⁴, the budget universality allows budget authorities to weigh the various claims, establish budget priorities, and allocate resources. Meeting the strategic objectives depends on, “*the capacity to shift resources from old priority to new ones, and from less to more effective programs*”¹⁵. A comprehensive budget would facilitate the government’s capacity to anticipate, decide for future, reallocate resources to achieve the objectives, and to assess programs.

Political control: Without a comprehensive budget, it is difficult to have a meaningful debate on the allocation of resources. In modern democracies, a comprehensive budget would facilitate the oversight of financial flows by Parliament. Complete and clear accounts will also enable parliament to effectively check the implementation of the government’s budgetary commitments. The OECD¹⁶ Best Practices for Budget Transparency gives a good overview of the significance and scope of budget comprehensiveness.

The degree of success of these objectives depends on the proper implantation of the principles building the concept of universality. Certainly, the strict compliance with this traditional principle has become difficult in these modern times. The nature of public expenditures has changed considerably, and public finance has increasingly diversified. The need for targeted actions should prevail on a single framework. However, the principle still reflects a certain concept of the nature and the functioning of the State. In the Algerian budget practice, with the development of responsibilities of the government, the budgetary objectives are still far from being achieved. The budget activities are thrown into confusion, and are interwoven with fragmented measures.

II. Budget universality : a difficult principle

The implementation of the principle is suffering from numerous discrepancies (A). Many of them are mainly due to the lack of preconditions which are necessary for successful implementation of the principle (B).

A. The principle of universality : a confused practice

Conforming to the French tradition, the 1984 Budget framework Law No. 84-17 of July 7, 1984 (*loi relative aux lois de finances*), included the main provisions of the former 1959 French *Ordonnance* on the budget system. It concentrated on administrative budgeting, and provided the executive with strong powers in budget preparation and execution. This gave rise to a domination and abuse of executive power, opening the way for some budgetary practices that contradicted the objectives of the budget universality. Also, there is little debate in Parliament on the objectives of budgetary priorities. The Budget law allowed the executive power to manipulate funds without parliamentary control. The information provided is not complete. Since there are no effective attempts to restructure the budget and correct the situation, the budget principle, although it has traditionally been stressed in budget law, seems to be falling far short of being implemented. Budgetary fragmentation and incoherence are often blamed

by the Audit Court auditors in their annual reports. Unfortunately, their proposals are likely to go unheeded. Yet, facing the budget inertia, the gap is widening and it has become obvious that budgetary objectives remain unrealized.

Financial unity: The idea of the unified and universal budget is favorable for a clear assessment of the relative worth of expenditures. It gives a general view of budget balance which allows the control of the government fiscal policy. However, the State budget itself is not fully unified nor universal as many exceptions mentioned in Article 8, exist. These include: budget annexes, special treasury account (STA), social security funds, and special accounting procedures. Some of these extra budgetary funds have been expanding over years, and are quickly becoming the rule rather than the exception. In developing countries, extra budgetary funds including social security outlays, represent 5.4 percent of GDP from 2002 to 2004¹⁷. The typical example concerns the STA, which are set by annual budget laws. According to the provisions of Article 48 of the 1984 Budget framework Law, there are six categories of STAs: trading state services, earmarked funds, the funding of advances, loans, transactions with foreign governments and, participations and obligations. These accounts must be annexed to the draft budget law with a detailed report on the manner of their functioning. Although, these regulations are not fully observed. The parliament members are not informed of the total projected and actual expenditures and revenues on these accounts¹⁸. A significant flow of funds related to investment programs passes through these accounts which enable the governmental structures to escape the traditional budget principles, and parliamentary control. The number of STAs increased rapidly. Between 2000 and 2013, their number quadrupled from 18 to 75. The management of these accounts is impaired by a lack of performance and coordination. The poor monitoring and reporting lead to limited compliance, and a large waste of public resources¹⁹. With the increased practice of STAs, budgetary objectives fall far short of being attained and the budget process itself becomes muddled.

Allocation: The allocative function is limited by a lack of a strategic planning approach. The ambitious government's strategy is often administered through investment sectorial programs, rather than the budget itself. A clear definition of priorities is excluded, and the investment document presented describes only a list of intended projects with no explicit objectives. The lack of a coherent strategic focus in the budget planning, leads to severe misallocations and gaps in programmed resources. Government choices are thus guided by a duality of tools: the budget on one hand, and the investment program on the other. The budget document does not decide anything, as the real decisions are made in the political sphere. The universal budget, far from carrying out the allocative function, actually gives way to a disaggregated strategic presentation, modified successively by different ministries and authorities.

Also, the duality phenomenon takes another form within both expenditure and revenue sides:

On the expenditure side: there is a compartmentalization between the preparation of the recurrent and the investment budget, which impedes an efficient resource allocation²⁰. The former Ministry of Planning that was responsible for the investment budget was absorbed by the Ministry of Finance, but coordination between them is often *ad hoc* and inadequate²¹. In developing countries, planning is often confined to investment activities. Recurrent budget is dedicated to the supplies and wage bill. The universality is weakened by the failure to link policy, planning and budgeting within a unified vision.

On the revenue side: the universality of revenues is simply ignored. A number of budgetary practices, considered as conservative, have scattered the financial resources. The main practice concerns the oil revenues. Indeed, to manage the oil price fluctuations, the budget authorities adopted a preventive attitude: The 2015 budget reference oil price has been \$37 US per barrel, although the actual price of oil averaged \$60 US per barrel, providing the budget with a surplus. The excess oil revenue is allocated to an extra budgetary fund, the *Revenue Regulation Fund* (fonds de regulation des recettes). That fund contributes mainly to finance the budget deficits and to cover the external debt. The result is a fragmented budget, which actually left dispersed the effort of mobilization of resources for productive expenditures. The budget, instead of being a tool for gathering annual appropriations within a coherent policy framework, became a document gathering inconsistencies and contradictions.

Political control: The budget submitted by the government to Parliament is not comprehensive and lacks detail. Also, Parliament's members do not receive complete and systematic information during the fiscal year. The documents annexed to recent draft budget law contain gross amounts of public expenditures and revenues for the two years preceding it, and are not detailed. The legislative power is weakened, namely in budgetary matters so that it is sometimes asked by the executive to pass supplementary budget laws without a real political debate. Reduced to a mere rubberstamping of the budgets, Parliament and its commission lack the key skills to engage in in-depth debates on public finance management. The legislature lacks the expertise to cope with the growing complexity of the budget, especially when compared to the quantity of information and knowledge held by the executive²². The Algerian Parliament does not have a specialized budget research office, to assist it in budget analysis of documents submitted by the executive and financial operations²³. In many democracies, Parliament is often supported by the legislative budget office consisting of specialists in many fields as lawyers, economists, and accountants. That permanent office helps the members of the Parliamentary Committee in dissecting the budget documents leading to informed decision-making. Recent innovations in legislative roles show an expanding influence of Parliaments in

the budgeting process, in emerging countries. Parliaments have undertaken many measures to equip themselves with the expertise to ensure these responsibilities²⁴. In Poland for example, the 1997 new Constitution gave the Polish Parliament new power to adjust spending and revenue levels. To enhance the Parliament's budgeting capacity, a research analysis unit was created, with a staff count of twelve members. The unit works closely with universities and research centers. The main objective is to provide an understandable analysis²⁵. Their main functions cover: simplifying complexity and making information understandable to the legislature, enhancing credibility of budget forecasts, improving the budget process, and promoting accountability²⁶. In the case of Algeria, the Parliament lacks such a structure to ensure sound political control.

B. The principle of universality : the lack of preconditions

One of the main factors responsible for these budgetary unsound practices regarding the universality principle in Algeria, is the lack of the necessary preconditions for a successful public management system.

Although on the surface, the principle of universality in Algeria is well-established in the national legal system, it deviates in practice, from this system, by a wide margin. The most important result of this deviation, is the discrepancy and confusion leading to the existence of many uncontrollable funds and off-budget operations. Such a discrepancy can be explained by many institutional weaknesses.

a) Opacity of the role of the State

In the late 1980s, having been affected by a severe oil shock, Algeria decided to undertake comprehensive reforms to transform its economy from a command to a market-based one. Thus, the State's role expanded in the economy, and is characterized by a fragmentation of activities. This led to a lack of clarity of the budgetary sphere, and to a large part of government activities being excluded from the operations included in the budget. Public enterprises undertake functions that would be considered budgetary in nature²⁷. For example, the sale of oil and gas products in the national market by the public enterprise *Sonatrach* at prices below market prices is considered an implicit subsidy that is not taken into account in the general budget. Such adjustment by implicit subsidies reduces public revenues. Moreover, some budgetary institutions are holding numerous enterprises in their portfolios that are potentially of a private nature. Their structural deficit is generally covered by the Treasury. With an incomplete budget coverage due to overlapping activities, the government was prevented from measuring the overall budgetary impact on the economy²⁸.

b) Inadequate legal framework

The 1984 budget legal framework law was modeled on the former 1959 French ordinance on financial law with no impact assessment. At this time, the

impetuous decision was only made to fill a legal void, which was the common desire of public authorities after independence in 1962. The stake was not too high since the budget played a subsidiary role to the planned economy. In that era, the most important financial management tool was mainly mandatory plans and governmental orders.

c) Increased role of the executive and lack of transparency

The executive acquired considerable powers in budget making²⁹. The Constitution states that the prime Minister executes and coordinates the government's program, and is responsible before Parliament (Articles 83 and 84). The 1995 Decree³⁰ defining the responsibilities of the Minister of finance, specifies that he prepare the draft budget law, under the authority of the Prime Minister (Article 1 to 6). In practice, these responsibilities are not fully carried out. There is neither information prepared on consolidated revenues and expenditures projections, nor this on the evolution of the cost of public service, as required by Article 68 of the 1984 Budget framework Law. As discussed before, the fiscal activities information of the whole government is not provided especially those concerning social security funds, and local governments. The general budget records some general information on transfers operated through central budget appropriations, especially to specific social funds. However, the share of tax revenue with local government, and grants do not appear in the budget documents. Moreover, the principle of universality which embodies a general obligation of transparency faces a traditional constraint of secrecy. The executive power gave rise to specific administrative traditions and practices which influence the clarity of budget operations. It can partially explain the multitude of fiscal activities outside the budget.

III. Conclusion

Throughout this brief analysis, we have tried to examine the scope of the universality principle, and the degree of its implementation. The principle encompasses the basis of good financial management, and guides both the other traditional budgetary principles and new ones. A comprehensive budget has become a universal rule. It gives the main elements for good governance, and allows, through consolidated information, the realization of financial democracy. Thus, the universality principle has mainly a political nature, since presenting the budget allows the most accurate knowledge on the use of public resources. However, in some developing countries, the outlines of the new budget framework are still opaque. The traditional universality principle seems to be difficult to practice, without an effective mode of handling the issues. In Algeria, the main constraints on the full implementation of the universality principle should be addressed. The difficulties in implementing the universality principle have risen from the scope of its requirements: transparency, discipline, and effective supervision³¹. Unfortunately, the budget operations are dispersed,

and the financial action of the state becomes unclear. It is necessary to consider urgent measures based on the existing legal framework, in order to reactivate the functions of all players involved in the budget process. These measures would give credibility to the budget law. They will be articulated around the consolidation of documents and operations. The budget documents presented to Parliament need to be consolidated toward a comprehensive approach. The financial balance of the budget needs to be stated. It should take into account the financial operations of the special accounts, the advance and the loan accounts. Also, the budget should come with annexes, an evaluation of tax expenditures, assessment of the government's financial assets, and the implicit subsidies resulting from fiscal activities undertaken by certain public enterprise. The recourse to special treasury accounts should be restricted. The special funds financed by the annual budget should be avoided. In the medium term, a progressive reform should be made to introduce new legal principles such as transparency and performance, in order to improve the fiscal management and information system. One of the main measures will be a fundamental review of the role of government, by obtaining a realistic assessment of the size of government activity. This depends heavily on the commitment of public authorities to restore a comprehensive public policy.

Footnotes

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²See: Damarey, S. (2014). *Finances publiques 2014-2015 : Elaboration, exécution, contrôle*, Paris : Editions Gualino, p. 57.

³See: Caiden, N. (1982). The myth of the annual budget, *Public Administration Review*, 42 (6), p. 516.

⁴*Idem.* pp. 516-517.

⁵See: Rubin, I.S. (1990). Budget Theory and Budget Practice: How Good the Fit? *Public Administration Review*, 50 (2), pp. 179-189.

⁶*Idem.* p. 179.

⁷See: Arief, A. (2013). Algeria: Current Issues. *Current Politics and Economics of Africa*, 6 (1), 2013, p. 111.

⁸See: Akacem, K. (2004). Economic Reforms in Algeria: An Overview and Assessment. *The Journal of North African Studies*, 2(9), p. 115.

⁹Known as *Programmes de soutien à la croissance économique*.

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¹¹See: Albert, J. L. (2013). *Finances publiques*, Paris: Editions Dalloz, pp. 98-99.

¹²Decision DC, 1982, Finance law for 1983.

¹³See: Schick, A. (1999). *A contemporary approach to public expenditure management*. Washington: World Bank Institute, pp. 47.

¹⁴*Idem.* pp.14-15.

¹⁵ *Idem.* p. 89.

¹⁶ Organization for Economic Co-operation and Development.

¹⁷ See: Richard, A., Dimitar, R. (2007). Managing and Controlling Extra budgetary Funds, *OECD Journal on Budgeting*, 4(6), p. 11.

¹⁸ International Monetary Fund (IMF). "Algeria: Statistics from the International Monetary Fund (IMF) 2001-2004." Article IV mission reports and Statistical Annexes. Washington DC.

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²¹ *Idem.* p. 41.

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²⁸ *Idem.*

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³⁰ The 1995 Decree No. 95-54, February 15th, fixing the attribution of the Minister of finance, Gazette No 6/1995.

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