Revue-IRS

Revue Internationale de la Recherche Scientifique (Revue-IRS)

ISSN: 2958-8413

Vol. 2, No. 6, Décembre 2024

Words to Act Upon in Rules

Rasolomanana Harinavalona Nirina Olivia (1), Randriamahaleo Fanilo R. (2) and Rakoto David Olivaniaina(3)

(1)Economics, Management, and Sociology Faculty – University of Antananarivo - Madagascar

(2)Mathematics and Computers Science Department Science Faculty - University of Antananarivo - Madagascar

(3)Economics, Management, and Sociology Faculty – University of Antananarivo - Madagascar

Abstract: It is easy to say, but harder to do [9]. The first article of the Madagascar Constitution defines a clear division of responsibilities. This split establishes distinct roles : some people write bills, some evaluate and vote on them, some guarantee legal conformity, and others are in charge of enforcing the laws. However, there is a considerable difference between announcing intentions and taking action. L. Filliettaz [8] examines the psychological component of action compared to discourse in his approach. He proposes a link between speech and the environment in which it is formed. The process of converting one's words into actions exists between speech and action. [7]. This article investigates the use of words in action in public finance management. Speech serves as a mirror of actions.

Keywords: Orthodoxy, Public Finance, words, actions.

Digital Object Identifier (DOI): https://doi.org/10.5281/zenodo.**14389018**

1 Introduction

It is easy to say, but harder to do [9]. The first article of the Madagascar Constitution defines a clear division of responsibilities. This split establishes distinct roles: some people write bills, some evaluate and vote on them, some guarantee legal conformity, and others are in charge of enforcing the laws. However, there is a considerable difference between announcing intentions and taking action. L. Filliettaz [8] examines the psychological component of action compared to discourse in his approach. He proposes a link between speech and the environment in which it is formed. The process of converting one's words into actions exists between speech and action. [7]. This article investigates the use of words in action in public finance management. Speech serves as a mirror of actions.

The Finance Act reflects these ideas, and its execution demonstrates the activities accomplished. The Finance Act must be prepared, executed, or monitored to ensure proper administration of public funds. The public finance

system comprises legal entities subject to public law. This paradigm distinguishes between those who "speak" and those who "act." This topic also includes economic and governance issues. Public finances are governed by certain regulations that must be obeyed. While it is simple to define a revenue-to-expenditure balance in financial law, putting it into practice is difficult. This statement is supported by global macroeconomic statistics on budget deficits, and it also holds for Madagascar. [5]. However, regulations are intended to be observed.
Public finance management involves more than simply implementation. It also creates a trusting environment for citizens. This is consistent with Paul Ricoeur's ethical ideal, "A good life, with and for others, in just institutions." This ethical paradigm encourages acts that foster individual development (citizenship). However, an image of conventional management frequently emerges, reflecting conformance in both word and action to established principles. We often think that this orthodoxy denotes obedience to the norms governing public finance management.
Only when there is coherence between the requirements of the Finance Act, the outcomes of its execution, and the governing rules of public finance can we consider financial management ethical. Thus, orthodoxy is associated with regularity as an ethical standard. This article intends to investigate this link.

We need to answer the following questions:

Is the public financial management system regarded as orthodox? Does it fit the criteria for word-to-action alignment and established rules?
If the Finance Act represents our pledges, are they being upheld? Does the implementation of the Finance Act reflect that we have kept our promises? Is its execution in line with the existing rules? Analyzing the Finance Act over a given time is critical for understanding the nature of our commitments and determining how the Act is executed.

2 Materials and methods

Orthodoxy refers to the practice of following established rules, but the crucial question is : what are these rules? What makes obeying them orthodoxy ? While implementing the regulations is one thing, enforcing them is a different matter.

The principles that govern public financial management are critical to sustaining orthodoxy. It is critical to remember that being orthodox entails more than just following the laws of public finance ; the actions and ethical standards of those involved also play a vital role. As a result, we must specify the expected behavior for these persons.

A report should be created to evaluate the application of these standards, identify any barriers, and assure compliance. If the review shows that particular policies are ineffective, new regulations will be needed to solve these flaws. Furthermore, orthodoxy calls for a balance of revenue and expenditure, and the methods and materials employed in this research should reflect this idea.

2.1 Materials

Public finance is a broad field that includes organization, components, and procedures. It combines the resources and uses of a certain state, and understanding its administration necessitates a thorough retrospective assessment. This study focuses on Madagascar, an undeveloped country that predominantly funds its expenditures with debt and runs a recurring deficit each year. To achieve an objective analysis, the study spans from 2000 to the present. The analysis is organized around three main components: words, actions, and rules.

2.1.1 Words.

The Finance Act serves as an example of how the term can be defined. This examination focuses on the development of the Finance Act before its implementation. The Finance Act is organized around the balance of resources and expenditures, and its implementation indicates that a commitment has been met. To inform this discussion, we gathered information on Madagascar's resources and expenditures. This information comes from the Finance Acts, which are published on the Ministry of Economy and Finance's websites, as well as general treasury operations recorded in official accounts. However, how these statements are expressed is determined by the actions of the stakeholders involved. A link has been established between the remarks made and the actions taken by the three institutions in charge of crafting the Finance Act.

2.1.2 Action.

The measure implements the Finance Act. In practice, the study focuses on analyzing the Finance Act's performance using objectively verifiable indicators as documented in the budget execution circular. One major topic of concern is how to align commitments with resources and expenses. The presentation of budget execution results, which comprise generated income and incurred expenditures, demonstrates how commitments are translated into action. These findings are included in the settlement bills submitted by the courts of audit and serve as tangible proof of execution.

2.1.3 Rules.

Rules govern the procedures from formulation to execution, referring to the regulating texts of public finance, such as the constitution, fundamental law, laws, decrees, orders, and circulars on the implementation of financial acts.

2.2 Methods

To properly verify our hypothesis, we will use syllogism analysis, with a focus on the RESOURCES and EMPLOYMENT components. Syllogism, a powerful deductive reasoning technique similar to mathematical analysis, allows us to convey our findings in an organized manner. This technique consists of two main propositions: a general rule of law (MAJOR) and a specific application of that rule to the circumstances (MINOR). By connecting the minor proposition with the larger one, we can find a clear answer. The minor proposition transforms the results of our data research into a legal framework, allowing us to discover the underlying legal difficulties.

Once we've identified the problem, the next step is to determine the relevant legal norms, which is an important stage in our investigation. Our major goal is to identify the applicable legal statutes, which will eventually lead to the case's conclusion.

In mathematical terms, our conclusion is straightforward: if all B is A and all C is B, then all C must also be A. This logical development brings us to a conclusion. For example, if ethical behavior is consistent with orthodoxy and the congruence of speech, action, and norms in public financial management is considered ethical, then orthodoxy in public finance management represents this congruence. Here, B symbolizes ethics, A represents orthodoxy, and C denotes their relationship.

We will proceed on the assumption that the Finance Act appropriately represents its intended aim. The acts conducted in response to the Finance Act are referred to as its implementation, whilst the governing regulations include all necessary documents directing its management. Our purpose is to demonstrate that the Finance Act program is consistent with the expenditures that have been committed to and carried out under these regulations.

To achieve this, we will:

- Search for revenue and expenditure data on Ministry and other public finance websites.

- Analyze the data in Excel to generate two primary tables. The first table will include numbers for (i) predicted financial revenue, as outlined in the initial Finance Act or, more typically, successive amending Finance Acts; (ii) projected expenditures; actual revenues and expenditures; and the result (deficit or surplus). This table will have distinct rows for forecasts and actual figures, as well as a row for the final result. It will also serve as the foundation for a graph that compares forecasts to actual results to help uncover any legal concerns.

To further comprehend the subject, we will undertake a detailed literature review using bibliographic research. This will entail reading several books and articles that explain fundamental principles of public finance management, such as governing norms and their practical applications. Insights from scholarly articles and reviews will educate and supplement our findings, ensuring a full study.

3 Results

Syllogism produces the following outcomes.

3.1 Result 1

Public Finance rules and laws

The Organic Law No. 2004 - 007, enacted on July 26, 2004, establishes five essential principles of public finance management as defined by the Finance Act. One of these ideas highlights the need to balance revenue and expenditure in financial forecasts. Furthermore, the concept of orthodoxy requires that expenditures do not exceed revenues.

Figure 1. Revenues and expenditures result

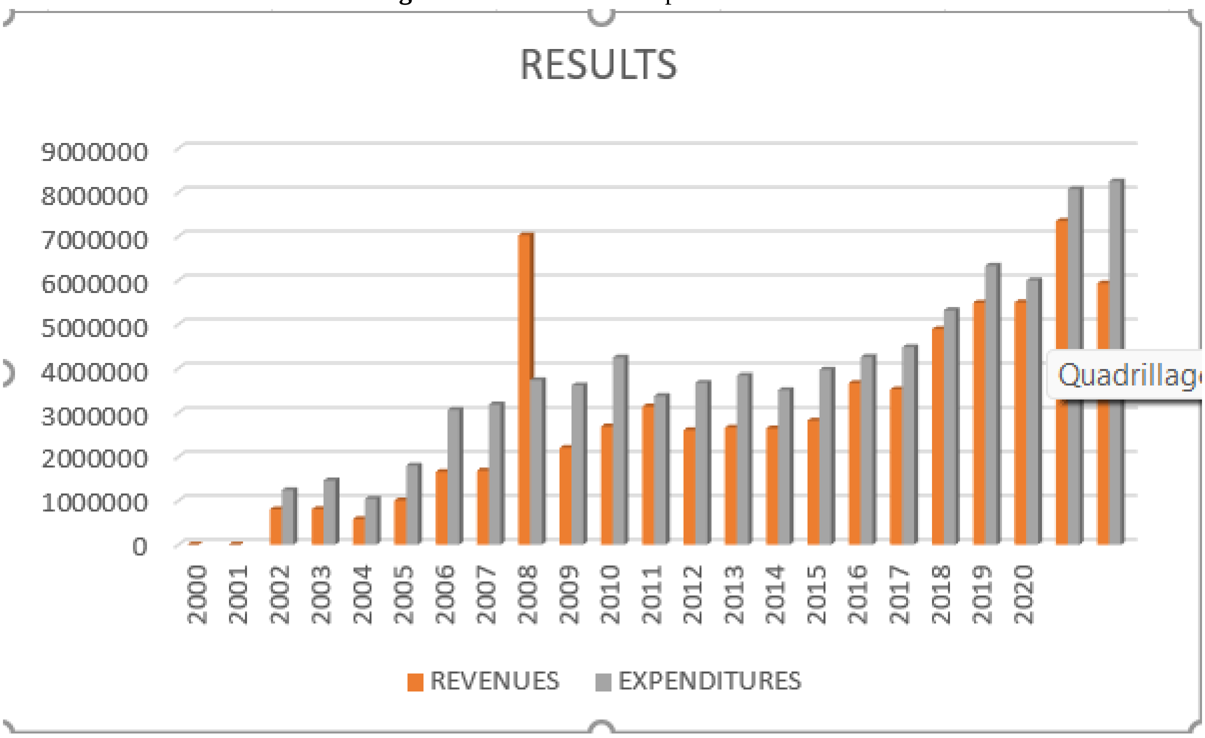

FIGURE 1. Source : Opération Générale du Trésor - MEF

When we compare the forecasted data with the actual results, we reach the following conclusions:

Figure 2. Comparison of planned and realized

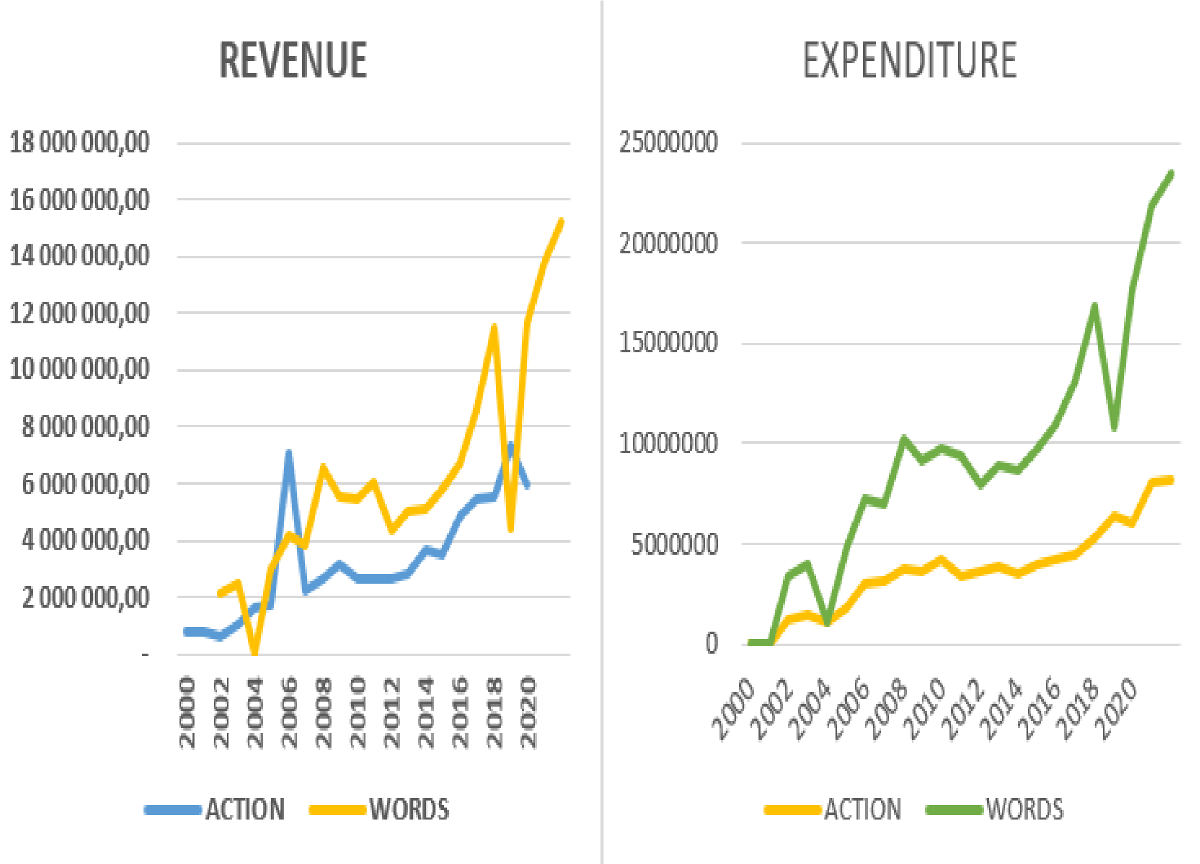

FIGURE 2. Sources: OGT et Lois de règlements

The image below depicts the budget execution procedure.

3.2 Result 2

Analysis of the facts: The results are presented in the figure below, organized per budgetary framework.

Figure 3. Forecast and achievment

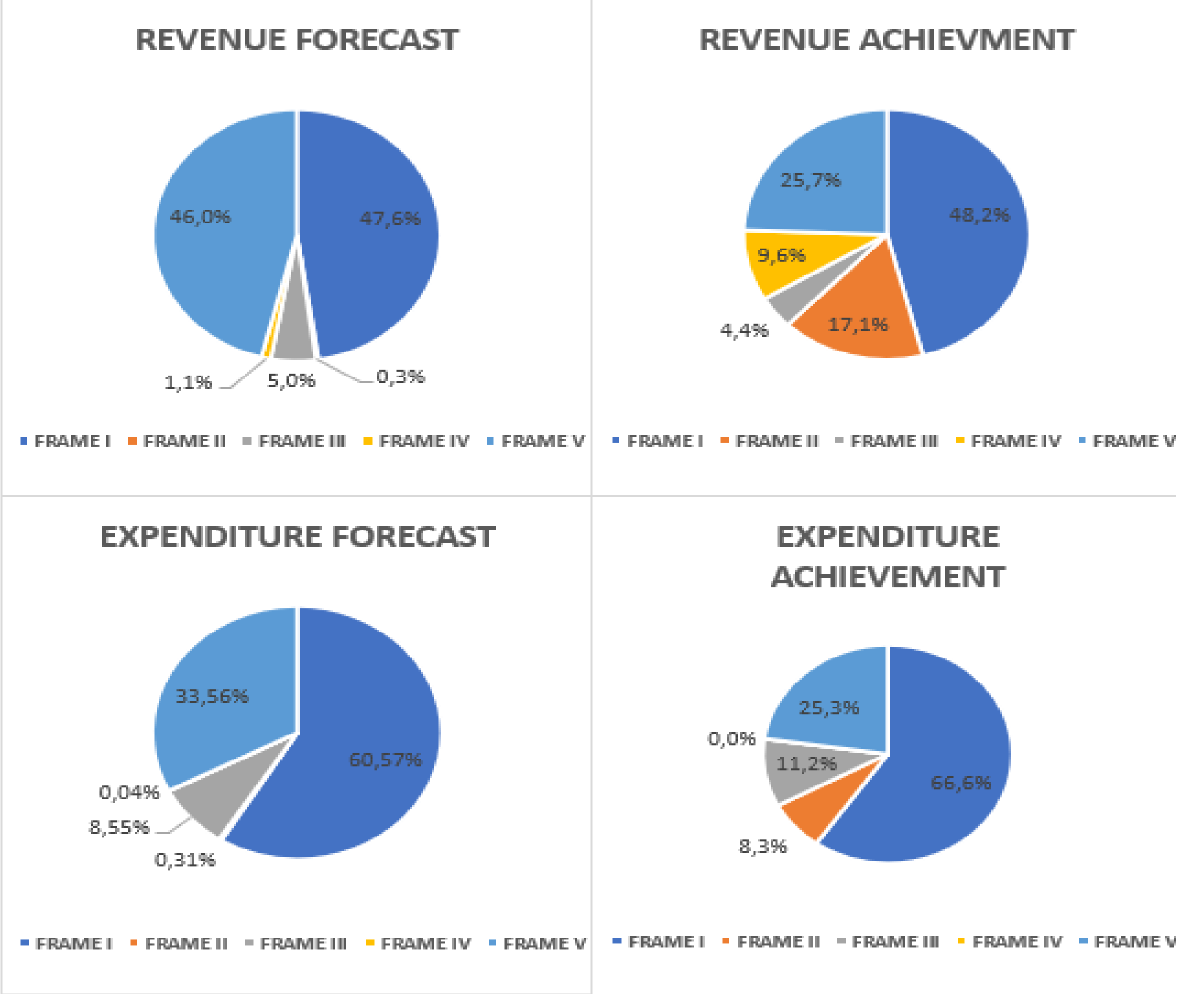

FIGURE 3. Source : Lois de règlements 2000-2020

4 Discussions

By applying the syllogism method:

4.1 Minor

Madagascar's Finance Act depicts a balanced budget, however implementation outcomes show a continuing deficit. According to the established norms, a 5% GDP deficit is allowed [1]. Currently, the budget deficit does not exceed 2% of GDP, although organic legislation N° 2004 - 007, passed on July 26, 2004, requires the notion of a balanced finance act. When drafting the budget, the government is expected to balance resources and expenditures, even if a deficit is anticipated. Unfortunately, actual numbers have routinely fallen short of these projections.

The deficits cannot be attributed merely to a lack of revenue budgets to fund investments. There is a fundamental paradox in that credits, particularly those associated with external Public Investment Program funds, are not properly utilized. The fundamental challenges originate from the complex procedures and tardy pledges to external funds encountered by several ministerial organizations. Budget balancing is frequently considered a function of deficit management. Fiscal orthodoxy promotes reasonable behavior, which includes "not spending more than what revenues permit." The underlying issue is the discrepancy between several legislation and actual public finance practices. Upon initial inspection, the implementation of the Finance Act appears to follow a straightforward procedure.

However, the regulations do not limit exceptions. Budget circulars or notes frequently include orders that deviate from the usual process, such as expenditure authorizations provided by the Council of Ministers. The legal problem derives from the implementation of these laws and their exceptions, as demonstrated by real-world examples.

4.2 Major

The question at hand is how to keep a promise while conforming to established regulations. The related regulations include the notion of balanced budgets, which is stated in the organic legislation on financial acts, as well as the standards for public expenditure implementation. To properly apply these standards, it is critical to follow the principles controlling the separation of powers among the administrative, legislative, and judicial branches, as well as the regulations governing the authorizing officer and public accountant. While exceptions are specified in the recommendations, the situations that constitute extraordinary must be explicitly described.

Legally, full adherence to these standards involves careful management of public funds. To establish a proper balance, we must change our attention away from reducing spending and toward speeding income collection. As a result, the approach is restricted, producing a philosophy that emphasizes conformity to established standards while providing limited possibility for deviations.

As indicated by the actual data, Framework I and Framework V have the most influence on the framework's estimates of income and expenditure. However, the share of Framework V has decreased significantly, notably in terms of revenue, from 46% to 25%. It is worth noting that this framework includes the State's activities and investments.

Data from the settlement laws show that the commitment rate for operating budgets is approximately 97%. In contrast, the commitment rate for items related to the Public Investment Program, particularly external financing, is rather low. As a result, the State is accruing arrears, which are estimated to be around 5% of GDP and include bills owed to goods and service suppliers.

The failure of the state to meet its financial obligations reduces government solvency. This lack of dependability prevents public procurement contractors from submitting competitive service offers, or they may feel driven to charge exorbitant fees for fear of nonpayment. This situation eventually creates a climate prone to corruption.

Despite debt reductions to restore state coffers under Framework V, the forecast has not been met. Well-defined circuits are in place, but are they followed?

When crafting the financial bill, the Constitution emphasizes the separation of powers. The submission of the finance bill is initiated by the executive branch. In layman's words, institutions develop their annual activity programs during the year preceding the budget year, harmonizing with the goals set in the General State Program and the policies of various sectors. This Annual work Plan(PTA) is translated into funding needs for each institution and presented in the budget conference. It demonstrates each institution's commitment to accomplishing stated goals.

Once the draft budget has been vetted and linked with macroeconomic trends, it is converted into a bill and sent to the National Assembly and Senate for approval. The legislature evaluates bills and is in charge of assessing fiscal issues related to the state's general policy. It studies resource distribution using a cost-benefit analysis.

The Finance Act is a statute passed by Parliament. Parliament not only votes on the budget, but also oversees its implementation. It has the authority to remind the government of management regulations and verify that funds are used appropriately. The court oversees budget execution in addition to ensuring compliance with the Constitution and legislation.

When crafting the financial bill, the constitution emphasizes the necessity of separation of powers. The finance bill begins in the executive branch. In layman's words, institutions create their yearly activity programs in the year preceding the fiscal year, aligning with the goals outlined in the General State Program and other sector policies. This Annual work Plan(PTA) is then translated into each institution's finance requirements and presented at the budget conference, demonstrating their commitment to accomplishing particular predetermined goals.

After being processed and linked with macroeconomic trends, the Draft budget is translated into a bill and submitted for approval to the two chambers of parliament: the National Assembly and the Senate. The legislature evaluates bills and is in charge of assessing fiscal issues related to the state's general policy. This includes assessing resource allocation using a cost-benefit analysis. The Finance Act is a statute passed by Parliament. Parliament not only votes on the budget, but also oversees its execution. It has the authority to remind the government of management standards and oversee the proper use of finances. Parliament, as the guarantor of constitutional and legislative compliance, also supervises the budgetary process.

The constitution emphasizes the separation of authorities when developing financial law. The submission of the finance bill is initiated by the executive branch. In layman's words, institutions plan their annual activity programs in the year preceding the budget year, matching these programs with the goals established in the General State Program and the policies of various sectors. This Program of Technical Annual (PTA) is translated into funding needs for each institution and presented in the budget conference. It demonstrates each institution's commitment to accomplishing stated goals. The various steps of the budget process indicate the involvement of the three powers: executive, legislative, and judicial. The executive branch, by introducing the law, assumes the obligation of designing the budget and studying the inputs required for its preparation. Thus, the Finance Act represents the shared input from all parties involved in its drafting.

While speech is a human quality, in the case of financial transactions, it is codified in writing and becomes a rule that must be obeyed. Respect for established rules and processes is critical in the context of governmental action. As a result, financial acts describe the steps that must be performed. The execution of a budget involves four major steps.

In terms of spending, a commitment is when a public entity agrees to hire a specific service provider. In turn, service providers are expected to follow the terms of their contracts. The compensation takes place after the services have been certified as performed by activity managers. The public institution subsequently prepares the payment and provides the required papers to the State Public Payroll.

This stage reflects spending authorization, which means issuing a payment order to allow payment to service providers.
In terms of income, a commitment is an agreement made by a citizen to pay the State what is owed. This commitment contains a precise description of the sums payable as well as the issuance of a revenue order, which allows the State to collect dues more efficiently. The ELOP process is the official means of executing the Finance Act while adhering to public accountability norms. All operations involving the Finance Act, from drafting to implementation, must adhere to well-established norms. Furthermore, jurisdictional power guarantees that these norms and procedures are followed by conducting post-hoc audits.

4.3 Conclusion

This theory has not been confirmed for Madagascar. The "dire vue" of the Finance Act does not match the "parole vue" of the regulatory laws. The exceptions indicate differences in the application of the regulations.
The Finance Act is promulgated for implementation within a specific fiscal year. The executive is a critical role in attaining the goals of the Finance Act. It collects revenue, commits to spending, and most

importantly, follows the regulations. As institutions, the lower and upper chambers, as well as the courts, must commit to budget lines. They also take an active role in the Finance Act. To do this, the assembly and senate must report on their regular sessions.

The government presents the results. This authority to alter the Finance Act has meaning. Rules control the development, implementation, and reporting processes. The management of public finances is thus a matter of words being converted into action by a well-defined rule known as orthodoxy. The Finance Act consists of five frameworks : the general budget, supplementary budget, special treasury account, counter value fund, and debt operations.

In terms of the recipe, we notice a discrepancy between what was said and what was done. Figures 2 and 4 demonstrate this. Forecast revenues are akin to promises, just as the Finance Act is. The term isn't kept. Even when the regulations are followed perfectly, there is still a discrepancy between word and deed. Expenditure greatly surpasses revenue, particularly for Framework I. The state is borrowing from its technical and financial partners. Revenues collected under Framework V rise to meet spending. The rule states the definition of orthodoxy : a balance of revenue and spending. According to these studies, the assumptions for validating the orthodoxy of Madagascar's governmental finances are rejected. But case law does not exist.

According to the primary definition, Orthodoxy is "a characteristic of what conforms to the doctrine of a religion, political party, scientific theory, or economic theory." In finance, orthodoxy is adhering to a set of rules. For a government, it implies not spending more than its income permit. Orthodoxy is a closed triangle consisting of RULES, ACTIONS, and WORDS. [2]. In Madagascar, laws oversee the national finance:

i. According to Article 40 of the Constitution's third title, the president, legislature, and courts have separate authorities [3].

ii. Finance Act provide annual expenditure and revenue predictions.

iii. According to the first article of the institutional act relating to finance acts No 2004 - 007 of July 26, 2004, Finance acts is established to determine the nature, amount, and allocation of the State's resources and expenses for a given fiscal year, as well as the resulting budgetary and financial equilibrium, taking macroeconomic constraints into account. [6] ;

iv. Law No. 63-015 of July 15, 1963, relating to general provisions on public finances stipulates in its new 34th article “the draft legislation is accompanied by a general account for the execution of the Finance act of the year and the appendixes explanation" and "the budget review act is distributed no later than November 15 of the year following the year of budget execution" [13].

The facts are as follows. Except in times of repeated political crises, the division of powers is upheld. The Finance Act is intended to restructure expenditure and revenue for the coming year. In the event of a projected revenue drop or income shortfall, public finance regulations allow for an appropriation modification, known as a loi des finances rectifications. Given the complexities of drafting an amended finance bill and the difficulties of the procedures to be followed, we can use budgetary restriction circulars to control spending.

Public finances are managed in an orthodox manner. Action is constantly seeking methods to uphold its commitments, and the rules and procedures make this easier by allowing the writing of corrective finance bills to achieve balance. However, expenditure still exceeds revenue. There are two viable answers. Debt repayment can mitigate the general budget deficit while also supporting the operation of the Treasury's special account or supplementary budget revenues. Given the answers mentioned above, the word essentially relates to the deed, and the rules support this search for correspondence. However, there is a lack of consistency between the executive and legislative branches, as well as onerous procedures.

5 Conclusion

Finance acts symbolize the term. The action takes the shape of budget implementation, with the rules controlling public finances serving as the guidelines. The acronym WORDS, ACTIONS, and RULES signifies ethics. When combined with the notion of balancing resources and uses, ethics contributes to orthodoxy.

The subject is interested in establishing that orthodoxy is an ethic, which means doing what the book states. To ensure that these theses were consistent with the situation in Madagascar, an assessment of public finance management was conducted, including an analysis of revenue and spending statistics. We discovered that the Finance Act was only partially implemented during the study period (2000–2020). Every year, implementation reveals a recurring deficit, particularly during times of crisis and for the general budget. However, the deficit does not surpass 5% of GDP. Despite following the guidelines, words are not kept. Talking the talk is easy; doing the walk is more difficult. An excessive behavior is avoided when you live upright. Some policies, such as the Loi de Finances Rectificatives (amending the Finance Act) and credit restructuring, promote the adjustment of these goals. This is the result of an orthodox ethic, which employs a reflexive technique to correct the objectives established regarding reality through a circular, commitment plan.

Orthodoxy refers to following rules and honoring pledges. However, the issue is with the executive and legislative branches. These are legal entities that have the authority to govern and implement the Finance Act. It is their responsibility to enforce and monitor compliance with the guidelines. Still, oversight is complicated by the settlement legislation' delayed implementation.

The public finance system is conventional in the sense that public finance management compromises can be implemented on time. If the executive foresees a problem with revenue collection, they can file a corrective finance act. However, the process of crafting an amended bill is lengthy and difficult. The trinity Word-Action-Rule is not followed. The prediction under the Finance Act does not reflect the current reality. The idea of balance between resources and uses is not met. The guideline of fiscal principle is not followed. However, how the budget is implemented considers all procedures.

Even when the rules are followed, doing does not equate to saying in public finance. Revenues fail to cover expenditure. The deficit is even incorporated into the Finance Act to ensure a balance of resources and employment. However, when we look at the results, the gap deepens. The alternatives chosen are to increase the contracted debts to cover the expenses incurred. Ancillary budgets or counter-value funds, such as trade funds, generate revenue for the state, but to what extent?

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