

## The Role of Local Groups in the Economy

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### Abstract

*Local communities are the basis for building development, especially the economy at the regional level. The municipality represents the basic base of the state, as it enjoys legal personality and financial independence. The Municipal People's Council is considered the decentralized base in the government system and the place of citizen participation in the management of the public affairs of the municipality .Based on this study, I tried to know the various governance systems for local administration at the world level, highlighting their sources of funding and the extent of activating decentralization in them. We also touched on the governance system for local administration at the level of Algeria, while highlighting the most important development programs, which were accompanied by legal amendments .The aim of the study was to determine the municipality's potential to build a strong local economy within its geographical area. In order to further clarify the role of the local economy, we studied a case of the municipality of Ain Azel, Setif Province, and took it as a model through which we can give a glimpse into the reality of the local economy.*

**Keywords:** Recreational Sports Activity, Mental Health, University Residence Students.

### 1-Introduction:

Recently, there has been much talk about the legal framework of local communities and the role they play in the dynamics of society, as the political discourse promoted today focuses on the importance of the future role of local communities in understanding what is known about local public affairs, especially its economic aspect. In this regard, and since I am in the Public Affairs Department at the Higher School of Management Sciences, we decided to present ourselves with some questions about this new political project of the Algerian state about the role of local communities in the economy. The topic we chose

to engage in the battle of these questions and think about the real role of local communities, which includes the role of the municipality as a local group that has popular legitimacy in reviving the local economy, and therefore our problem in this topic revolves around the following: - Does the

municipality have a real role in reviving the local economy and to what extent?

### 2- Study hypotheses:

To study the topic, I proposed the following hypotheses: - The better the management style of the municipality, the more it necessarily leads to reviving the local economy of that geographically defined area. - The failure of the Ain Azal municipality to reach a strong local economy is due to the inefficiency of the municipal people's council.

- The powers granted to the President of the Municipal People's Council in Algeria are limited.

- The success of the municipality of Ain Azal in achieving a local economy depends on the interaction and participation between official and unofficial actors in the various stages of the development process.

### 3- Reasons for choosing the topic:

#### 3-1 - Subjective reasons:

- The desire I have to become the mayor of Ain Azal, especially since I belong to the throne of Mwasah, which represents 80% of the population of the municipality of Ain Azal, and in addition to that, I specialize in public affairs management, which I studied at the Higher School of Management Sciences - Annaba -.

- The desire to know the extent of awareness at the municipality level in Algeria regarding building the regional economy, and the capabilities available at the municipality level compared to its local economy.

#### 3-2- Objective reasons:

- Building the regional economy has become one of the most important topics in embodying development worldwide, as it has become a large part of development programs.

- An attempt to diagnose the local economy at the level of the municipality of Ain Azal - Setif -, and what are the most important steps taken to push development.

### 4- Importance of the study:

- The importance of studying this topic lies in the fact that the municipality has a major role in achieving a strong local economy due to the knowledge of the elected council at the municipality level of the capabilities and needs of the municipality, and also due to its proximity to the citizen, and it was established primarily with the aim of managing the affairs of citizens and improving their economic, social and health conditions.

- The economy is not achieved except by driving the wheel of the various local economies in all regions embodied at the level of municipalities or states.

- The municipality is also the starting point in establishing a democratic system that achieves popular participation and achieves stability through the citizen's feeling of the presence of the state and

its actual presence by his side and in serving his interests.

### 5- Objectives of the study:

This study seeks to achieve the following objectives:

- Trying to understand the local economy of the regions more deeply and linking it to the political system.

- Determining the legal framework of the municipality and highlighting its functions and role in the process of local development in general and the economy in particular.

- Trying to diagnose the capabilities and achievements of the municipality of Ain Azal - Setif - and the reasons for stopping the stalled projects.

### 6- Study Difficulties:

There is hardly a subject that is free of difficulties, especially in the field of searching for a solution to a problem and answering questions. Among the difficulties are:

- The topic of the local economy is broad and interconnected with many other fields.

- The topic of the local economy at the regional level is still far from public opinion at home and even in Europe.

- The difference between researchers on the basic concepts of public affairs management has led to the difficulty of giving a basic definition of the local economy.

### 7- Previous studies:

I tried to rely on an academic article and studies more because the concept of the local economy has become a source of interest for researchers on ways to develop regions.

- Study of the Local Economic Development Unit of the World Bank, Washington, District of Columbia, October 2001 AD - Local Economic Development Guide for Developing and Implementing Local Economic Development Strategies and Action Plans Joint Study Cities of

Change issued by the World Bank Bertelsmann Stiftung by Gwen Swinburne, Surya Joga, Fergus Murphy in September 2004 Applied aspect:

### **1- The exploratory study:**

It is considered the first step that the researcher addressed in his study and was after feeling the problem and choosing the study topic and adjusting it with the supervising professor, where various references and previous studies related to the study were reviewed in order to accurately adjust the study variables and formulate the problem and study hypotheses, where the title of the study was determined in accordance with the topic by the researchers, after approving the topic, they went to visit the municipality headquarters in Ain Azal on 06/08/2020.

#### **1-1-Objectives of the exploratory study:**

**The aim of this exploratory study was as follows:**

- Preparing the administrative documents that allow us to start implementing the study.
- Ensure the suitability of the place designated for conducting the interview (interview with the former mayor).
- Determine the security and safety factors.
- Identify the difficulties and obstacles facing the research.
- Refer to references and sources to control the procedures and variables of the study.

### **2- Basic study:**

#### **2-1- Study methodology:**

In this study, I relied on: The legal approach was used to refer to the legal and constitutional texts related to the municipality, in order to clarify its role and mission, especially with regard to the local economy. The institutional approach: Considering that the municipality is an institution and an entity, the most important approach that we can use to study it is the institutional approach:

It is concerned with buildings, structures and official frameworks, and this approach depends on

the explanation and descriptive detail of the institution. When we are studying the municipality, we must address its legal system. In this study, I relied on a set of approaches, which are: The descriptive analytical approach: This approach was relied upon with the aim of describing and analyzing the concepts related to the subject. This approach was the most appropriate approach to achieve these goals, because it allows us to provide an accurate description and objective analysis of the phenomenon under study.

The historical approach: This approach helps in studying the historical development of various and I relied on it because it deals with the historical development of the municipality. Case study method: Due to the necessity of defining and limiting the study to the model of Ain Azal Municipality, I adopted this method so that I could study the subject from various aspects in the field, and thus know the role of the municipality in the local economy at the regional level. 1- Case study method: This method is based on collecting a lot of comprehensive data and information about one individual case or a limited number of cases in order to reach a deeper understanding of the phenomenon being studied and similar phenomena, as data is collected about the current situation of the case being studied as well as its past and relationships in order to understand a deeper and better general matter that this case represents. What must be emphasized when studying the case is to identify the real problem and distinguish between it and the symptoms accompanying it, as the decrease in the sales volume of a certain commodity is not the real problem of the company but rather one of the symptoms accompanying it. Important aspects of the case study: All of the above emphasizes four important aspects of the case study, which are:

- The case study is one of the descriptive studies or methods.
- The case study is a method used to test a hypothesis or a set of hypotheses.
- It is necessary to emphasize other similar cases to which the results are supposed to be generalized.

- Emphasizing objectivity and avoiding subjectivity in testing the case and in collecting the necessary data and information and then analyzing and interpreting them Case study conditions:

- The case study requires accuracy in investigating information while taking into account its integration.

- The case study requires organization, sequence and clarity due to the large amount of information it includes.

- The case study requires the necessity of recording all information due to its large amount and fear of forgetting some of it

- The necessity of economizing effort and cost and following the shortest paths to achieve the desired goal of the case study.

2-2- Procedural control of research variables: Based on the research hypotheses, it became clear to us that there are two variables, one independent and the other dependent.

## 2-2-1- Definition of the independent variable:

- The independent variable in experimental research is the experimental variable that the researcher manipulates to see its effect on the dependent variable. (Raja Mahmoud Abu Alam, 2014, p. 60)

- The experimental variable is the variable that the researcher assumes is the cause or one of the causes of a certain result, and studying it may lead to knowing its effect on another variable, i.e. it is the variable that affects the dependent variable. (Mohamed Hassan Alawi, Osama Kamel Rateb, 2017, p. 245)

## Defining the independent variable: Local groups.

## 2-2-2- Definition of the dependent variable:

These are the variables that are affected by the independent variable and do not affect it, i.e. they follow the independent variable in change. It is all the variables that change or disappear due to the independent variables. (Ramy Halawa, Mohamed Hassan Abu Al-Tayeb, 2010, p. 221)

## Defining the dependent variable:

### The Economy.

## 2- Study tools:

**3-1- Interview:** The interview is considered one of the main tools for collecting information and data in the study of individuals and human groups. It is also one of the most common issues of collecting information on the necessary data for any research and the interview is not simple but rather a technical issue. The interview is a tool for collecting information in which the researcher poses questions that need answers from the respondent through a verbal dialogue or in the form of a verbal questionnaire or it may be between two or more people either face to face or through visual media and live broadcasting via satellite. The interview includes specific questions to obtain accurate answers about them, we relied on the individual interview that takes place between the researcher and the examinee, as the researcher converses with the person he is interviewing, and an interview was conducted with Mr. Ahmed Majour, the former mayor of Ain Azal, to obtain the necessary information.

## 4- Limits of the study:

**4-1- Spatial limits:** The subject of the study is limited to addressing the role of the municipality in Algeria in general and the municipality of Ain Azal, Setif Governorate in particular, so that it is highlighted as an independent variable that is necessary for every development process.

## 4-2- Time limits:

The study is concerned with tracking development programs and knowing the true role of a municipality in reviving the local economy at the level of the municipality of Ain Azal, Setif State, in achieving sustainable local development. The study was set for the period between (2020-2021).

## 5- Technical and technical card on the city of Ain Azal

**5-1- An overview of the internship location Ain Azal** is one of the municipalities of the Ain Azal district, administratively, regionally and

historically affiliated to the capital of the high plateaus, Setif State, Algeria. Ain Azal occupies a significant area, and is witnessing population growth and rapid economic growth due to the region's important strategic location south of Setif State.

**5-1-1- Geography:** It is located 48 km south of the capital of Setif, the city of Setif, its population is about 180 thousand people, 100 thousand of them in the municipality center, thus it ranks third in the state in terms of population density, the municipality of Ain Azal is bordered to the north by Bir Haddada and Ain El Hadjar, to the south by Rahbat and El Guiquba, Hama, to the east by Beida Bordj, and to the west by Saleh Bey, Ain Oulman, and Hama. The municipality of Ain Azal occupies the second largest area in the state with about 720 km<sup>2</sup>. It is also known as the gateway to the desert and southern Algeria, because it is the closest route to the desert via the state of Biskra. The city is also considered a link between commercial caravans coming from the south towards eastern Algeria. It also borders the state of Batna. The mountains surround the Ain Azal district, including: Mount Ain Fatis, Mount El Kef El Ahmar...

**5-1-2- Topography:** The municipality of Ain Azal is located in the northeast of Algeria, south of the state of Setif, at a latitude of 35.8194947 and a longitude of 5.3947932, and at an altitude of 900 meters above sea level, in the astronomical location of 36° 49' 01" north, 5° 30' 44" east, in the High Plateaus region, in the eastern part of it, and within the northeastern Algerian region, it is rich in population centers and vital places, and is concentrated in all places of the region, in the center, north, south, east, and west...

**5-1-3- Historically:** The municipality of Ain Azal was founded in 1885 AD, during the colonial era, and was called "Ampere" ampère after the physicist Andre Marie Ampere (1775 - 1836), a French scientist and mathematician who conducted several experiments on phenomena Electromagnetism. Ain Azal is distinguished by its ancient history as an Algerian city whose inhabitants participated in the liberation revolution, as they were concentrated in

the "Tanzart" region, and with the advent of De Gaulle's project, most of them moved to Ain Azal, and among its most important historical places are the "Al-Ka" neighborhood and the Republic neighborhood. 5-2 - Wealth and capabilities of the Ain Azal Municipality This section will study the most important capabilities and facilities enjoyed by the Ain Azal Municipality, Setif Province.

**5-2-1- Agriculture** Ain Azal is distinguished by the quality of its agricultural soil, as agriculture contributes 11% of the production in Setif Province, and this agriculture is carried out in the suburbs of the Ain Azal Municipality, and the most important products grown are wheat and potatoes, and it also depends on plastic houses to grow non-seasonal vegetables.

**5-2-2- Subsoil wealth** It is also rich in mineral wealth in the bowels of the earth, and its most famous mines are the Kherza Youssef mine and the Hamra branch, and it also contains a huge water reservoir represented by groundwater, which helps it build local development based on agriculture in the future. 5-2-3- Human capital: The municipality of Ain Azal has a large youth wealth in addition to a density rate and a population exceeding 65 thousand people, and the youth wealth is considered to be highly educated, which requires its exploitation to promote local development.

**5-3- Geographical location:** The municipality of Ain Azal is located in a strategic location linking the north to the south, between Setif, M'Sila, Batna and the Biskra road. This gives it a greater possibility to make Ain Azal an industrial and agricultural hub and an important transit area.

**Table 1- Facilities of the municipality of Ain Azal:**

	Attached	number
01	Town Hall	01
02	Municipal Park	01
03	Municipal Branch	02
04	National Gendarmerie	01

05	Municipal Guard	01
06	Civil Protection	01
07	Post and Transport	04
08	Social Security	01
09	Quranic School	02
10	Vocational Training Center	01
11	Municipal Slaughterhouse	01
12	Weekly Market	01
13	Multi-Service Clinic	04
14	Mosque	26
15	Pharmacy	10
16	Municipal Stadium	02
17	Swimming Pool	02
18	Urban Security	02

From the table above, we notice that Ain Azal Municipality has many vital facilities, especially those with a social dimension, which helps in building the local citizen who is considered the real nerve of any local development. Despite the consensus that the economy is the nerve of development, social development is important in providing all services to citizens, which would integrate the energies of society to develop wealth. Through this summary, we conclude that Ain Azal Municipality has many resources, especially underground, and it also has an important factor in the great youth energy and the important strategic location linking the desert and the north. Analytical study 1/ Interview: A recorded individual interview (video) was conducted with the graduation thesis on a CD with the former mayor of Ain Azal Municipality for the period between 2012-2017, Mr. Ahmed Majour, and we relied on the standardized interview that includes 20 questions about the local economy of Ain Azal Municipality, focusing on the new industrial zone in Ain Azal Municipality.

Interview with Mr. Ahmed Majour, former mayor of Ain Azal

**Q1: According to your experience and path in managing local public affairs, can you give us your own understanding of the local economy?**

From my experience as head of the Municipal People's Council - Ain Azal - especially with regard to the local economy in the practical sense, it is what relates to managing the affairs of the municipal budget collected from local taxes and fees that are managed only by the Municipal People's Council, in addition to the proceeds of local activities that support development and create local employment such as crafts and small and medium industries, as local production has great returns on the local community.

**Q2: Does the municipality have a real role in driving the local economy and how?**

A2: Yes, the municipality has a major role in building the local economy, and it is its real nerve by stimulating sustainable development, and seeking to create public or private projects, of an agricultural, craft, commercial, industrial, social nature... which would play a role in developing the municipality as a whole.

**Q3: In light of your experience as mayor of Ain Azal, what are the most important measures you have taken to boost the local economy of Ain Azal Municipality?**

A3: The most important measures you have taken as mayor of Ain Azal at first glance are: - The relentless efforts at the local and central levels to establish an industrial zone in Ain Azal, which will be the nucleus for stimulating the region's economy in the future. - Encouraging traders and craftsmen to settle in Ain Azal and motivating them through facilities in order to stimulate development at the local level. - Inviting traders and major importers from the region to open branches for their commercial activity within Ain Azal Municipality, and this has been done successfully in many areas. - Creating a competitive local economic climate and intensifying advertising and media in Ain Azal Municipality. - Informing the state authorities of

Ain Azal Municipality's ability to develop economically.

**Q4: Did you have a clear strategy for promoting the economic development of the municipality?**

A4: We had a prior vision that it was urgent given that the electoral term is limited to only five years, but it had positive field results.

**Q5: The most important feature of your term as mayor of Ain Azal was the establishment of a new industrial zone. What role did you play in its arrival?**

A5: Yes, we had a major role in its arrival, as we communicated with central and provincial interests, especially the former governor of Setif, Mr. Mohamed Bouderbala, whom I have great respect for, as he insisted on making the south of the province an industrial hub. In his capacity as head of the investment council, he made decisions to direct some industries to the industrial zone in the city of Ain Azal. I also coordinated with industrialists and traders to pressure public interests to speed up the completion of the industrial zone.

**Q6: Was it in accordance with the development plan for the municipality of Ain Azal submitted to the province?**

A6: It was in accordance with the feudal plan for the province of Setif, and this was after it was submitted in the development plan for the municipality of Ain Azal, and we requested it from the province as an urgent program.

**Q7: What is the financial contribution of the municipality of Ain Azal in the establishment of this industrial zone?**

A7: There was no contribution from the municipality, but rather from the state because it is included in the state feudal plan of Setif.

**Q8: What are the most important projects included in this industrial zone?**

A8: The most important projects included in this industrial zone are very motivating, as I will tell you frankly and with complete transparency:

- The huge car factory of the Iranian-Algerian company 'Sima Motors', which alone employs more than 1,500 workers

Motorcycle assembly plant, 30 types of motorcycles plus vehicles for people with special needs.

- Veterinary medicine production and packaging unit. - Construction iron production unit.

- Mining unit.

- Car electricity production unit.

- Car and vehicle batteries unit of all kinds.

- Plastic and iron waste recycling unit.

- Milk and dairy products production unit.

This industrial zone houses more than 21 projects at a cost of 26 billion centimes from the state, with the employment of more than 1,800 workers from the Ain Azal district and its surroundings.

**Q9: Was there support for local investors to establish projects at the level of the industrial zone?**

A9: Yes, there was, as we are confident in the financial capacity of the people of the region.

**Q10: What are the most important goals desired from it, especially since it is located in a strategic location linking the north and the south?**

A10: The industrial zone is considered an important pole linking the north and the south, as it facilitates marketing to the deep south, and thus it will expand and increase revenues for the Ain Azal municipality. **Q11: What is the direct benefit for the residents of Ain Azal municipality from this industrial zone?**

A11: The direct benefit for the residents of Ain Azal is in employing the residents of Ain Azal, especially the collectors. 11 projects have been established and the employment of this has already begun with Mr. Akka and Bounchada Lakhdar in the cable unit.

**Q12: Can we say that the industrial zone of Ain Azal city will leapfrog the economy at the local level by opening direct and indirect job opportunities?**

A12: Yes, it will even leapfrog the local income of an individual, and I especially mention the collectors from Ain Azal, as the industrial zone is the only one capable of eliminating unemployment at the local level.

**Q13: Don't you have any concerns about not activating the new industrial zone by exploiting it in private matters, as we noticed in the old commercial activities by project owners?**

A13: We have no concerns, frankly, because the state's directives today are strict, and the investor who benefited from the plot of land and financing from banks has a specific deadline if he does not start localizing the project, the plot of land will be withdrawn from him and replaced by another investor, and there are many requests for this. - Pastry production unit of all kinds.

**Q14: What are the most important difficulties you faced in pushing for economic development at the level of Ain Azal municipality?**

A14: There are many difficulties that can be summarized as follows:

- Training and awareness for the individual, as we noticed a set of difficulties from the weak vision of the investor that requires training and development.

- The problem of the road linking the municipality of Ain Azal and the state of Setif is not double.

- The difficulty of convincing investors to transfer their investments and trade to the municipality of Ain Azal, they have fears and lack of conviction as they have the idea that they should invest in major cities.

- The most important point is that the Ain Azal district does not contain branches of the real estate registry and land survey, and this increases the difficulties of investors.

**Q15: The solar energy project, which covers 40 hectares, has not seen the light of day yet. Where is the problem?**

A15: It is indeed a big problem. The solar energy project is the responsibility of the energy sector of the state of Setif. It was stopped at the central level, like the rest of the renewable energy projects. The first one, we found difficulties from the Directorate of Agriculture because of 40 hectares of agricultural land. After solving the problem, the freeze came immediately due to the austerity that Algeria was experiencing during that period. I think that the current president opened a specialized agency for renewable energy. We hope that it will see the light of day in the future.

**Q16: The new transport station. Where exactly is the problem in not establishing it, especially since the land is available?**

A16: The new passenger transport station of Ain Azal. There is a legal dispute between the Directorate of Transport of the state of Setif and the study offices. This is what was explained to us by the state. I submitted a proposal to His Excellency the Governor to submit it to a private individual. They agreed to the idea and the private individuals submitted files to the state, but without studying these files. We hope that it will see the light of day in the future.

**Q17: Can we say that central decisions come from the state and not the municipality?**

A17: Yes indeed, the main central decisions in the system of government still come from the state, where management is centralized, while the powers of the mayor are limited and restricted.

**Q18: During your experience, was there cooperation between municipalities through a joint project or service?**

A18: In fact, there is no cooperation or solidarity between municipalities directly, but solidarity is limited only to the joint fund for local communities, where taxes are collected from various municipalities to support weak municipalities.

## **Q19: What is your assessment of the results of the Municipal People's Council during your term of office?**

The results are honorable, frankly, there has been no development like it in Ain Azal before, for example: Ain Azal Court, to which the municipality contributed 3 billion centimes. Paving most of the roads to revive Ain Azal. Connecting water to most of the villages, renewing sewage channels, and connecting electricity to most of the villages of the municipality of Ain Azal. Opening green spaces. Establishing a new high school and two middle schools.

## **Q20: If I ran and was the head of the People's Municipal Council of Ain Azal, what would be the most important advice you would give?**

A20: You should prepare a development plan (a vision for the needs of the Ain Azal Municipality), and propose priority projects that are feasible to implement and put at the forefront during the election campaign, because the people's thinking has evolved, and it may convince them to only carry projects.

### **- Study results:**

- The reality of the local economy is based on revenues more than on rationalizing expenditures.

- The municipality is the one that plays the major role in building a local economy because the elected representatives are the people who know the needs of the citizens residing within the municipality's territory. - Although the municipality is considered the basic foundation for building a strong local economy and thus pushing local development, it does not have the mechanisms for that, and its role remains in improving the central authorities.

- Although the municipality has a prior vision of the needs of the region, it is linked to a limited 5-year endowment, and therefore only urgent projects must be implemented.

- The most important plan, which is considered the vision of the municipality, "the development plan", must be accepted by the state. - The state bears the

financing of every project included in the state feudal plan.

- Through the projects included in the industrial zone of Ain Azal, it can advance the local economy of the city, where there are 21 projects.

- Local investors have been enabled to implement projects at the level of the industrial zone of the municipality of Ain Azal. - The strategic geographical location of the industrial zone of the municipality of Ain Azal, located between the north and the south, facilitates the export of products to the deep south. - The industrial zone of Ain Azal aims to eliminate unemployment by creating direct and indirect job opportunities. - Activating the role of supervision by banks, as the file is studied with great scrutiny, and also by the state, which withdraws the plot of land if the project is not started. - Stopping projects related to renewable energy at the national level led to stopping the solar energy project in the municipality of Ain Azal. - The conflict between the Directorate of Transport and the study offices led to the failure to establish the new transport station in the city of Ain Azal. - Central decisions come from the state, not the municipality, as the municipality's powers are limited. - The lack of cooperation between the municipality of Ain Azal and neighboring municipalities confirms the lack of awareness and trust. - The results of the Municipal People's Council (2012/2017) are honorable, as it pushed development at the level of the municipality of Ain Azal. - The vision of the municipality's needs is the most important thing required in the planning of the next candidate. Note: - Although the industrial zone initiative came from the municipality, the municipality is not in appointing investors, as this is done at the state level. - During my field tour, I noticed the localization of 11 projects out of 21 projects. - To this day, the new transport station project and the solar energy project have not been started. - During my meeting with the former mayor of Ain Azal, I sensed a great desire in him to launch development at the municipality level. - Mr. Ahmed Majour, the former mayor of Ain Azal, had the desire to enlighten the public opinion of the municipality's

residents. - Opening urban transport in the municipality of Ain Azal despite its freezing by the Transport Directorate of Setif State.

- Mr. Ahmed Majour has great jealousy for the region, as he wanted to make Ain Azal in the best possible light.

### **- General results:**

- Decentralization in Algeria is limited and tends more towards centralization of decision-making. - The local economy is the backbone of local development. - The powers of the mayor are very limited and do not meet the demands of the people who think that the head of the municipal council has all the powers. Therefore, in the event of any personal or general problem, the mayor finds limited powers and his absolute powers are only completed in: Cleanliness and preparation of the territory for the municipality, and as for housing, he is considered a member of the housing committee for the administrative district, and does not have the right to attend the appeals committee and therefore cannot defend citizens. As for development and reviving the local economy after the approval of the development plan by the municipal council After studying it, which must be approved by the state, the state is also the one that determines the municipality's budget and controls, with the state, the majority of taxes at the level of the municipality's territory. But on the other hand, the state justifies not granting powers due to the poor educational level of the mayors, and his sometimes inclination towards cousins, and thus the lack of fair distribution of wealth and development projects.

### **Proposals:**

Activating participatory democracy in the management of municipal affairs. Deepening decentralization and expanding the powers of elected councils. Embodying cooperation between municipalities to reduce the burden on municipalities. Digitizing all municipalities and their affiliates with modern information systems, which allowed for accelerating and improving services and reducing bureaucracy.

A great focus on environmental health and creating a volunteer team of specialists working in other sectors to benefit from their capabilities and expertise. Creating committees in neighborhoods to deal with them and convey citizens' concerns and convey the voice to the official, and participate in building development. Conclusion: Through this study, we have become certain that the local economy is the essence of local development without a doubt and the local individual is its tool and ultimate goal. The main goal of our study of this topic was to try to know the extent or real limit of the participation of municipal people's councils in managing public affairs, especially the local economic vision, because the people's council is the most knowledgeable about the needs of the region, and how to build the local economy at the level of the municipalities in which they were elected, and to convey the concerns of citizens at the level of that region to the central authorities, represented by the state in most cases.

Through all that has been reached through this research, in its theoretical and field aspects, we can say that we have found that the participation of the municipal people's councils of the state is still far from building a strong local economy, compared to the advanced countries in this field, especially the local administration system in Yugoslavia and the local administration and financing system in England, which is a pioneer in applying the decentralization that the state needs today with the new Algeria, despite the reforms, especially the municipal law in 1990 and the economic transformations by moving from the socialist system to the market economy system. Despite the delegation of decisions to the people's councils, they are still limited and do not respond to the aspirations of citizens and still suffer from many problems that stand in their way and prevent their real embodiment in the correct sense, and through our interview with the former mayor of Ain Azal, Mr. Ahmed Majour, and our study of the economic reality at the level of the Ain Azal region, Despite the development achieved at the level of the Ain Azal municipality, the majority of decisions are taken by the state. Even the National Investment

Agency does not operate without the approval of the state, and therefore the role of the municipality remains to accompany and monitor these projects, so measuring the performance of the popular councils is not subject to real standards, in light of the limited powers. Among the most important recommendations for building a local economy at the regional level: - Understanding the needs and capabilities at the regional level and changing the mentalities of individuals to productive individuals and active in managing public affairs through candidacy or choosing the most suitable individuals to run. - Beginning to prepare proposals for the electronic municipality as a mechanism to enhance administrative and financial transparency. - Decentralization as a tool to give more opportunities to councils to build their economy. - More strictness in choosing party representatives in elections and relying on the scientific and specialized aspect, because it is observed during the various electoral dates that citizens choose people without ideology or party orientations.

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