

Expected reforms in Algeria's municipal law - an analysis of the draft municipal law –

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Saidaoui Mohammed Elmertadji¹

¹ *Laboratory of international legal transformations and their implications for legislation in Algeria, University of Eloued, Algeria,*

Email: saidaoui-mohammedelmertadji@univ-eloued.dz

Abstract:

This paper aims at studying the main reforms in the municipality law in Algeria, taking the project of the municipality law as focal point. In this regard, the current municipality law 10-11 showed many deficits. Therefore, the new law shall integrate deep reforms in the Algerian municipality system. The main aspects of such reforms cover the municipality finance. In addition, the reforms foster the prerogatives of the municipal representatives and enshrine new mechanisms to control the municipalities' management. Furthermore, they establish a new system for organizing the local territory, including the cities and big urbs.

Keywords: *municipality; reform; municipality law; representatives*

Corresponding Author:Saidaoui Mohammed Elmertadji, **Email:** saidaoui-mohammedelmertadji@univ-eloued.dz

1. INTRODUCTION

The Reforms are an essential mechanism for addressing shortcomings within any administrative or governmental framework. They involve a continuous process of evaluation and constructive critique to refine existing legal systems, ensuring they align with societal aspirations and adapt to evolving circumstances.

In this regard, Algeria's municipal law has undergone several reforms to tackle persistent challenges, with the most recent update introduced in 2011. Over time, however, this legislation revealed significant shortcomings, particularly in relation to chronic municipal budget deficits and the limited authority granted to local representatives.

To revitalize the municipal framework, the Algerian government adopted an inclusive approach, engaging in dialogue with political stakeholders to draft a new municipal code that reflects diverse aspirations and accommodates the country's broader transformations.

The government places high expectations on these reforms, aiming to address the multifaceted challenges municipalities face. Given the vital role municipalities play in fostering local development and improving citizens' quality of life, crafting effective and sustainable solutions remains an urgent priority.

One of the key steps in the practical process of preparing for municipal law reform (10-11) was the issuance of Presidential Decree No. 24-319. This decree established a committee of experts and specialists, led by Mr. Dahou Ould Kablia, the former Minister of the Interior and Local Authorities. The committee includes 10 members from both chambers of Parliament, 5 guardians, 5 presidents of municipal popular councils, and 5 presidents of wilaya popular assemblies. The committee is tasked with drafting revisions to the municipal and state codes.



The decree also grants the committee the authority to seek assistance from any qualified individual to support its members in fulfilling their responsibilities. The committee was formed immediately after its establishment, and its meetings are conducted in public at the President of the Republic's office. Once the committee completes its work, it will present the revised municipal and wilaya laws to the President for approval and promulgation.

To study the potential reforms in the Algerian municipality law, we raise the following problematic, “**what are the main reforms and new additions of the new municipality law in Algeria?**”

To address this question, we have structured the study into three distinct chapters. The first chapter examines the reforms within municipal finance, while the second explores the changes that strengthen the powers of municipal representatives and the new mechanisms for overseeing municipal management. The third chapter is dedicated to the organization of cities and large urban areas.

2. New additions to reform the municipality finance

Financial resources are essential for the implementation of public policies at both national and local levels, playing a pivotal role in achieving the desired administrative decentralization. Without adequate funding, local authorities cannot function effectively. The financial structure of administrative decentralization primarily tackles two interconnected issues: the allocation of expenditure responsibilities and the distribution of revenues between various levels of central and decentralized governance. It also covers the degree of autonomy granted to local authorities in managing their own budgets, including both expenditure and revenue generation.

In the context of the ongoing debate over administrative decentralization and reform in Algeria, financial reform stands as a crucial factor influencing the scope and structure of decentralization.

The overhaul of Algeria’s municipal system aims to guarantee the financial independence of elected local bodies, allowing them to manage their finances more autonomously. In practice, this independence can only be realized if local entities can cover their financial needs independently, without depending on central government assistance. Municipalities are expected to benefit from state support to fund projects that can grow through local revenues, especially as the demands of citizens continue to rise.

The ongoing financial reforms in Algeria’s municipal system are designed to address the widespread financial deficits faced by many municipalities, which heavily depend on government funding. According to the 2022 report by the Algerian Accountancy Council, these municipalities continue to struggle with financial imbalances, as highlighted in the accompanying table:

Table 1. Table title (this is an example of table 1)

Deficit rate	Number of municipalities that received government funding	Fiscal year
93.58%	1442	2015
94.03%	1449	2016
93.58%	1442	2017
93.58%	1442	2018
93.51%	1441	2019

93.77%

1445

2020

Source: (Report of the Court of Accounts for 2022, 2022)

The table highlights the significant financial deficit faced by the majority of Algerian municipalities, which has severely impacted their developmental capabilities. As a result, the reforms have concentrated on measures aimed at addressing the shortcomings in the municipalities' fiscal policies, including:

2.1 fostering financial collaboration among the municipalities

The cooperation between municipalities plays a vital role in delivering public services to citizens, while also serving as an economic strategy to ensure resource allocation, share risks, and reduce costs. Additionally, it strengthens both financial and human resources, fostering cohesion between different regions of the state. The advancement of municipalities helps address numerous challenges.

However, the practical application of these principles has been insufficient, mainly due to the persistent financial deficits faced by municipalities and their inability to effectively manage this crisis. This situation calls for a reassessment of the collaborative framework among municipalities in Algeria, along with the introduction of new, more impactful cooperation mechanisms.

In this context, the current Municipalities Law (10-11) allows for the collaboration between two or more neighboring municipalities for local development. Yet, these provisions have not been enough to stimulate meaningful cooperation, highlighting the need for fresh, innovative approaches to truly drive change.

The new municipal law introduces two forms of intermunicipal cooperation:

- **Vertical solidarity:** This refers to the financial support provided by the state to municipalities, which is overseen by the Agency for Solidarity and Local Community Development.
- **Horizontal solidarity:** This involves mutual assistance between municipalities, where wealthier municipalities can offer temporary financial aid to those facing economic challenges.

Clearly, this framework of collaboration among Algerian municipalities lays the groundwork for innovative local development initiatives, channeling state resources to support municipalities grappling with significant financial deficits.

2.2 fostering collaboration between the municipalities and private sector

The private sector is renowned for its professionalism and efficiency, particularly in investment and operational matters. By introducing a new model of collaboration between municipalities and the private sector, we can significantly enhance investments and eliminate many of the negative administrative challenges that exist.

In addition, the private sector is known for its rigorous management of both human and material resources, with a strong emphasis on generating financial returns and delivering high-quality services. This has led many countries around the world to recognize the importance of public-private partnerships, resulting in an increasing trend to privatize services previously managed by local governments.

The key reforms in the new municipal law focus on strengthening the relationship between municipalities and the private sector. This allows municipalities to support small projects within their communities, fostering innovation and contributing to the development of the area, in alignment with state initiatives to promote startups and reduce unemployment.

The government is also focused on reducing its dependence on oil, encouraging businesses to diversify their revenue streams and rely more on their own capabilities. Given that local municipalities play a crucial role in community development, fostering strong partnerships between municipalities and the private sector is essential. This collaboration will motivate private investors to invest more in delivering high-quality services.

It is promising that the new municipal law addresses the issue of municipalities contracting with the private sector to handle certain services. In this arrangement, municipalities would focus on defining the services required and overseeing their delivery, while the private sector takes on the responsibility for implementation. This approach not only alleviates pressure on municipal budgets but also enhances the overall quality of services offered.

3 fostering the position of the municipal representatives and establishing a new mechanism to control the municipalities management

One of the key challenges facing Algeria's local political landscape is the limited authority of municipal representatives and their restricted ability to address local matters. Moreover, the current management of municipalities has revealed significant shortcomings. As a result, the recent reform of municipal law has placed particular emphasis on addressing these two critical issues.

3.1 new measures to foster the position of the municipal representatives:

For a long time, the political discourse in Algeria has promised to enhance the powers of local representatives and create the necessary conditions for their effective operation. The connection between decentralization and the delegation of authority to locally elected officials becomes particularly clear when elections are used to form local bodies.

This underscores the importance of expanding the authority of local representatives, viewing it as a core element that enables local communities to manage their affairs through their chosen representatives in a meaningful way.

To ensure the success of decentralization, it is crucial for locally elected councils to be granted significant decision-making powers, while still respecting the sovereignty of the state. Local administrations should be entrusted with full responsibility and oversight of their respective territories. Some governments may prefer to adopt a gradual approach, transferring powers to local authorities step by step, enabling them to make decisions tailored to their communities' specific needs. This method might prove to be the most effective in empowering local councils and fostering good local governance.

However, these promises have yet to be realized. The new municipal law project introduces several reforms aimed at strengthening the position of local representatives, including:

- Setting an ethical charter for the representatives.
- Adjusting the mechanisms of electing the mayors.

- Obliging the mayors to make the oath.
- Reducing the number of municipal representatives to two.

These measures are designed to safeguard and enhance the autonomy of local representatives, enabling them to play a more active role in municipal governance. In this regard, it is essential that municipal entities have the freedom to make independent decisions without external interference, as local officials have expressed concerns about the challenges they face in managing their municipalities due to the significant influence exerted by higher authorities.

The issue of limiting the freedom of elected municipal officials in Algeria seems to be primarily rooted in two key factors: first, the growing expansion of supervisory power at the expense of the authority of elected municipal bodies, and second, the broad scope of municipal responsibilities in contrast to the insufficient and limited financial resources available.

This dominance is clearly reflected in legal frameworks that govern the relationship between elected officials and the supervisory authorities. These procedures include, but are not limited to, the approval process, which requires the Municipal People's Assembly's deliberations to be ratified before they can proceed. This ratification can occur either directly through an acceptance decision or automatically after 21 days of submission at the Wilaya level.

The Municipal Code outlines several extraordinary procedures related to the ratification process, the most significant of which include deliberations concerning the municipal budget and accounts, as well as the disposal of certain municipal properties. The law grants the head of the Wilaya a 30-day period from the date the deliberation is submitted to the Wilaya for approval. After this period, the

deliberation becomes automatically enforceable if not formally rejected. (Algeria, 2011)

3.2 establishing a national agency for monitoring the municipality management

Opinions differ regarding the extent of control over elected local authorities. Proponents of easing control measures argue that the global trend toward democracy increasingly favors the decentralization of power, advocating for local authorities to be freed from strict oversight and given greater autonomy. Legal experts and municipal workers often emphasize this shift. On the other hand, critics point to the absence of effective decentralization, the inefficiency, and sluggishness of financial and administrative bodies. They argue that the excessive supervision and the involvement of numerous regulatory agencies hinder local authorities' ability to make timely and independent decisions (Common Space Initiative for Shared Knowledge and Consensus Building)

Algerian municipalities face a variety of challenges in their management, particularly in terms of ineffective utilization of human and financial resources. Additionally, the quality of public services and the administration of local development fall short of meeting the community's expectations.

Moreover, administrative corruption is rampant across local governments, further impeding progress. This is especially problematic in Algeria, where the levels of corruption within the administrative system are notably high, as illustrated in the following table:

Corruption index	Number of studied states	Algeria rank	Year
35/100	178	104	2020
33/100	179	117	2021
36/100	179	104	2022
33/100	179	116	2023

Source: (Transparency International)

Corruption is a pervasive issue with deep-rooted and far-reaching implications, attracting the attention of numerous researchers. There is a widespread agreement on the urgent need to establish a comprehensive institutional framework aimed at tackling and eliminating corruption through practical and decisive measures. The ultimate objective is to eradicate corruption in all its forms and manifestations.

To address such challenges, the proposed new municipal law outlines the creation of a national agency responsible for overseeing municipal management. This agency will be tasked with preparing reports on the progress of local development projects and programs. Additionally, it will empower municipalities to implement internal controls through a dedicated committee.

Moreover, municipalities will be required to submit annual reports detailing their activities to the national agency. This will enable a thorough examination of the integrity of administrative actions. These steps are expected to mitigate administrative inefficiencies and curb various negative practices that hinder municipal governance. Ultimately, the measures will provide a robust framework for evaluating the performance of local government bodies, ensuring greater accountability and transparency in their operations.

4 the city and big urbs governance

The law project introduced a fresh perspective on governance in cities and large urban areas, aiming to incorporate new organizational reforms within the local territory. This marks the first time that a municipal law has addressed such an issue, as previous legislation had not touched upon this subject. In this context, comprehensive details were provided regarding the governance of cities and major urban centers.

4.1 the city governance

There is no doubt that the connection between development and the population census within a given area is directly proportional. As the population increases in a local territory, so too do the demands and requirements for development. Ignoring this factor places an increasing strain on municipalities with high population densities. Consequently, it is essential for central authorities to implement measures that are tailored to the unique circumstances of each municipality.

The efficient use of local resources calls for collaborative efforts among municipalities. As a result, many countries have concentrated their efforts on organizing urban areas and maximizing their development potential. Effective city management is crucial for local leaders, as it plays a key role in realizing the city's vision. It is important for mayors and other local officials to learn from past experiences and ideas on urban governance to improve their leadership.

In this regard, the urban system serves as a critical organizational framework for the local territory, bringing together various administrative bodies under a unified structure—the city. This approach aims to better serve the local population and enhance both

human and material resources. In line with this, the new municipal law defines the city as a community of residents who undertake diverse tasks and manage a separate budget from the municipality. It further specifies that the city is governed by a city assembly, characterized by:

- The city popular assembly to supervise the needs of the inhabitants.
- The city popular assembly is subject to the same system of the municipal popular assembly.
- The consultation as a basic mechanism to manage the city issues. (Presenting the causes, 2024)

The creation of the city assembly strengthens local development efforts and brings together the diverse needs of the community. Nevertheless, significant challenges persist in managing the assembly to foster unity among the different municipalities. Consequently, councils made up of multiple municipalities require a distinct administrative framework to ensure that no single municipality dominates the others. Moreover, these councils must implement clear systems to define the procedures and scope for enforcing their joint decisions.

4.2 the big urbs

The approach to managing large-scale human gatherings differs significantly from that of smaller ones, as an increase in population size leads to greater demands and a need for development. Demographic data reveals that over 57% of the global population currently resides in urban areas, where such regions not only offer employment opportunities but also attract people seeking better prospects. (www.demographia.com/db-worldua.pdf, 2023)

One of the most pressing challenges of the 21st century is the rapid growth of urban areas. Over the past century, the world has witnessed an accelerating shift toward urbanization. Cities now serve as vital hubs for national development, offering immense opportunities to unlock economic potential on a large scale. (UN-Habitat, 2023)

The recent reforms introduced the concept of managing large urban areas. In this regard, the proposed legislation defines these large urban areas as a coalition of two or more municipalities with a combined population exceeding 500,000 people. The key characteristics of this system include:

- There is a popular assembly for the big urbs.
- The president of the urbs can take initiatives to collaborate with the other urbs in Algeria or abroad.
- The popular assembly of the big urbs is managed by a system that resembles that of the municipal popular assembly. (Presenting the causes, 2024)

The new system for governing cities and urban areas is designed to enhance and advance the operations of local municipalities, both at the regional and international levels. This represents a significant and unprecedented shift. As a result, it is currently impossible to predict whether this initiative will succeed or fail. However, Algeria stands to gain valuable insights from global expertise, which can offer practical solutions to the challenges faced by municipalities. Numerous international experiences have successfully leveraged local resources, both human and material, to drive progress and development.

5. CONCLUSION

In our examination of the key reforms anticipated from the upcoming Algerian municipality law, which is set to be ratified shortly, we identified several notable points:

Municipal Finance Reform: A central focus of the new law is on improving municipal finances. It aims to foster greater financial cooperation between municipalities and enhance their partnership with the public sector. Currently, most Algerian municipalities face financial deficits and rely heavily on state funding. The state's new approach encourages municipalities to better leverage their own resources to fund their budgets.

Empowering Local Representatives: The reform significantly strengthens the role of local representatives in managing municipal affairs. It broadens their authority and offers legal protections. However, these reforms alone may not be sufficient. To combat administrative corruption, a national agency should be established to monitor municipal management practices.

Urban Governance: The introduction of a governance framework for cities and large urban areas is a groundbreaking step for Algeria. This reform will likely enhance cooperation among municipalities to improve the development of local territories. However, a key challenge will be finding a legal framework that ensures the smooth cooperation of municipalities in forming the governing assemblies of these urban areas.

Practical Application of Reforms: The new reforms must be more than just symbolic. They need to address the core issues facing municipal management. As such, there will be ongoing debate about whether these reforms can genuinely lead to meaningful change.

Given the scope of challenges facing Algeria's municipalities, the reform of the municipal system remains an ongoing and significant undertaking. It will require a collective effort from all involved parties, as the responsibility cannot fall solely on the state. The success of the reform process depends on the coordination and joint action of all stakeholders, which will ultimately help overcome many obstacles and create the conditions for municipalities to achieve the ambitious goals that align with the aspirations of citizens.

6. Recommendations:

- Introducing a framework for partnerships between municipalities and the private sector.
- Redefining the role of the Municipal People's Council in overseeing local governance.
- Implementing new provisions in municipal law to enhance public involvement in the management of local affairs, such as through referendums.
- Providing greater clarity on the operational procedures for the Council of cities and large urban areas.
- Granting central authorities the power to assess the performance of municipal councils.
- Engaging civil society in the dialogue surrounding amendments to municipal law.

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