

Partnership with the private sector as a mechanism to activate the role of municipalities in local economic development in Algeria



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Abstract

Algeria has recently witnessed new economic trends, particularly regarding the search for new economic alternatives to meet the requirements of economic development. This study examines how the existing partnership between the public sector, represented by municipalities, and the private sector can contribute to achieving local economic development in light of the new economic orientation of the Algerian state. The study relied on descriptive and analytical approaches, and concluded that the approach of partnership between municipalities and the private sector is among the successful approaches to local economic development. However, it is not expected to play the developmental role desired in the short term, given its new shortcomings, which require the adoption of innovative mechanisms and new legislative amendments to overcome them. Digitization can also be adopted as a tool to develop models for partnerships between the two sectors.

Keywords

Partnership;
Public sector ;
Private sector ;
Local economic development;
Municipality.

الكلمات المفتاحية

الشراكة ؛
القطاع العام ؛
القطاع الخاص ؛
التنمية الاقتصادية المحلية ؛
البلدية.

الشراكة مع القطاع الخاص كآلية لتفعيل دور البلديات في التنمية الاقتصادية المحلية بالجزائر

ملخص

لقد عرفت الجزائر في الآونة الأخيرة توجهات اقتصادية جديدة خاصة فيما يخص البحث عن بدائل اقتصادية جديدة لمواجهة مقتضيات التنمية الاقتصادية، حيث تبحث هذه الدراسة في كيف يمكن للشراكة القائمة بين القطاع العام ممثلا بالبلديات والقطاع الخاص أن تساهم في تحقيق التنمية الاقتصادية المحلية في ظل التوجه الاقتصادي الجديد للدولة الجزائرية، حيث تم الاعتماد على المنهجين الوصفي والتحليلي، وتم التوصل الى أن أسلوب الشراكة بين البلديات والقطاع الخاص يعد من بين الأساليب الناجحة في التنمية الاقتصادية المحلية، لكن لا ننتظر منه الاضطلاع بالدور التنموي على الوجه المأمول في المدى القصير. النظر للأوجه القصور الجديدة التي تشوبه والتي يحتاج تجاوزها إلى تبني آليات مستحدثة و إجراء تعديلات تشريعية جديدة كما يمكن اعتماد الرقمنة كأداة لتطوير نماذج للشراكة بين القطاعين.

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I- Introduction :

The Algeria has recently witnessed new economic trends, unprecedented in its history. These trends respond not only to globalization and capitalism, but also to the imperatives of seeking new economic alternatives to meet development requirements. This is especially true given that the Algerian state's developmental dimension is almost exclusively focused on addressing development requirements.

Considering that local communities, particularly municipalities, which constitute the primary base community, are primarily concerned with achieving economic development at the local level, and given the financial deficit suffered by the latter—that is, municipalities—in Algeria due to the inability of local funding sources to cover the requirements of local economic development, the Algerian state has sought to find new funding sources to promote local economic development. To this end, it has created numerous mechanisms, the most important of which are: concession contracts, agency contracts, public utility concessions, etc. In this regard, the partnership approach between the private sector and municipalities—as representatives of the public sector—is one of the most important mechanisms for addressing the latter's financial deficit and improving their development performance. The state has found in the private sector, which has offered its expertise to cover the deficits that state institutions have been unable to address, a means to promote local economic development. This sector possesses technical expertise and financial qualifications that can contribute to achieving the economic dimensions of local development. This is despite the sector's inherent drawbacks, most notably the dominance of profit-driven services, which can lead to the detriment of service activities and vulnerable groups due to the decline of social considerations, which have no place in the private sector. Furthermore, this partnership can lead to the spread of illegitimate privileges, which laws are unable to curb or address. Furthermore, it can also impact the environment in order to implement economic projects under the pretext of development and economic needs, given the expansion of private sector activity.

On this basis, the problem we raise through this research can be formulated within the following question:

How does the existing partnership between municipalities and the private sector contribute to achieving effective development performance for municipalities in light of the new economic orientation of the Algerian state?

Significance of the Research

This study derives its importance from its connection between the legal and economic aspects of analyzing public-private partnerships in Algeria, in light of the Algerian state's recent trends toward digitizing various sectors and enhancing all means to advance the national economy. It is also based on up-to-date research and diverse sources, contributing to enriching academic discussion on the subject.

To answer the problem posed, this was done by addressing the following topics:

First: The conceptual framework of the study.

Second: The background to Algeria's adoption of the partnership mechanism between municipalities and the private sector to promote local development.

Third: The content of the partnership between municipalities and the private sector in the field of promoting local development.

Fourth: Evaluating the partnership mechanism between municipalities and the private sector in promoting local development.

These are the topics we will address in detail below:

I.1. First: The conceptual framework of the study

The study of partnerships between municipalities and the private sector requires us to address a number of concepts, most notably: the public sector, the municipality, the private sector, and local economic development. This is as we will discuss in the following points:

1- Definition of the public sector:

It refers to business units managed by the state and that cannot be managed by the private sector. Public institutions are responsible for producing goods and services and providing them to the community at administrative prices. It can also be defined as a group of economic institutions whose capital is owned by the state or one of its public groups¹

2- Definition of the municipality :

Local administration is a method of administrative organization based on the existence of local interests of a special nature that differ from national interests ²

The municipality, as part of local administration, according to Algerian law, is the basic territorial group of the state, enjoying legal personality and independent financial liability. It is established by law and is the regional basis for decentralization and a place for citizen participation. It constitutes a framework for citizen participation in the management of public affairs ³

Accordingly, the municipality, as a decentralized regional administrative body, holds a vital and important position in the national institutional structure. It is the basic and fundamental political, social, economic, and administrative cell and institution⁴, which undertakes numerous roles at the local level, most notably contributing to local economic development.

3 – Definition of the Private Sector:

The private sector includes all private projects not funded by the state in the industrial, agricultural, commercial, and services sectors, such as private banks, private media, etc..⁵

The capital of these projects consists of funds owned by private individuals, while the financial results or returns (profits) generated from the operation of these projects also belong to private individuals.

4 – Definition of Municipal-Private Partnerships:

Public-Private Partnerships, abbreviated as PPPs, are a new method for financing economic development.⁶

Public-Private Partnerships are a modern concept that gained widespread popularity in the late 1980s. Governments, particularly those in developing countries suffering from debt and budget deficits, as well as population growth and growing demand for their services, realized the need to establish partnerships with private sector units. This was after they realized that economic development could only be achieved by mobilizing the full financial and human resources of the public and private sectors.⁷

This partnership has been defined by several definitions, the most important of which are:

- The definition by the Organization for Economic Co-operation and Development (OECD), which states that it is an agreement concluded between the government and one or more private sector partners, whereby the private sector partners commit to providing services in a manner that aligns the government's objectives with the profit objectives of the private sector partners.⁸
- The International Monetary Fund's definition, which indicates that they are agreements through which the private sector provides infrastructure and services to society, which were originally the responsibility of the state ⁹
- Arrangements by which the private sector provides infrastructure assets and services that were traditionally provided by the government ¹⁰
- An agreement between a government entity and a private partner to share risks and opportunities in a joint business venture involving the provision of public services ¹¹
- The participation of local communities in the private sector in achieving development, whether this participation is through: opinions and suggestions, or through effort and work, or in the form of material participation through projects, or in the form of participation in planning, implementation, coordination, monitoring, or evaluation processes, etc..¹²

Therefore, we can say that the concept of partnership between municipalities and the private sector refers to the joint contribution between these two parties for the purpose of achieving local economic development as a primary goal for municipalities and achieving profitable returns as a primary goal for the private sector. This is achieved by sharing the burdens and risks that may result from this partnership between municipalities and the private sector, each according to the nature and proportion of its contribution to the implementation of the economic development projects that are the subject of the partnership.

05 - Definition of Local Economic Development:

Local economic development has been given several definitions, the most important of which are:

- A method of social and economic action in specific areas, based on the foundations and rules of social and economic science curricula. This method aims to bring about a cultural change in the way of thinking, working, and living by raising awareness of the local environment.
- A movement aimed at improving the living conditions of society as a whole, based on the positive participation of this community.¹³

Therefore, we can say that local economic development is a fundamental goal of local public administrations and institutions, aiming to improve local social and economic conditions, provide public services, and meet public needs at the local level in a positive manner.

I. 2. Second : Background to Algeria's adoption of the municipal-private partnership mechanism to promote local economic development

Like many contemporary countries, Algeria has adopted the public-private partnership approach, including the municipal-private partnership, due to a number of external and internal factors, the most important of which we highlight in the following two points:

1 - External Reasons:

The concept of partnership between local government and the private sector emerged in the 1990s in the global discourse of the United Nations and international conferences, the most important of which include:

- The Environment Conference in Brazil in 1992.
- The World Conference on Human Rights in Austria in 1993.
- The Social Summit in Denmark in 1994.
- The United Nations Conference on Human Settlements in 1996.

These conferences emphasized the importance of partnerships between three sectors (local government, the private sector, and civil society organizations). In this regard, we note that the emphasis these conferences placed on partnerships with the private sector is of great importance in achieving local economic development, raising citizens' standard of living, providing job opportunities, and improving the level of services provided to them. The private sector is distinguished by its ability to innovate. Renewal and the provision of services according to the required specifications. Thus, local governments in many countries have resorted to adopting policies of transformation toward the private sector, giving the latter a greater role in providing public services and achieving local economic development, or by managing local activities based on commercial methods, such that these activities are organized as financially independent private enterprises responsible for providing services and achieving economic development at the local level ¹⁴. Thus, the number of countries that have adopted the principle of public-private partnerships has increased, including partnerships between municipalities—as part of the public sector—and the private sector. This is to encourage the private sector to provide infrastructure and services based on it, on the one hand, and to allow governments to avoid spending on infrastructure without relinquishing the benefits of such spending¹⁵. This is due to the decline and shrinkage of the internal functional role of the modern state in light of the effects of globalization ¹⁶

2 - Internal Reasons:

Whereas under the one-party system and the socialist system, the municipality was a tool for implementing the latter's principles¹⁷, this role changed under pluralism and capitalism. The powers and authorities granted to the municipality expanded in line with this latter trend, especially in light of the impositions of globalization. Thus, it was granted the authority to conclude partnerships with the private sector to fulfill its development role. The most important reasons that prompted the state to adopt this partnership can be attributed to:

- The state is not the sole actor in formulating and implementing public policies and achieving economic development. Rather, there are other actors, such as local communities, civil society organizations, and the private sector, which collectively constitute the main tributaries of local economic development¹⁸. The state does not bear the burden of achieving local economic development alone, as the central administration, with its structures and human resources, cannot undertake these tasks alone. Rather, it requires the assistance of local communities¹⁹, civil society, and the private sector together.
- It is impossible to find a development path and comprehensive development plans without recognizing the private sector's role in the development process. It also bears the responsibility for promoting local economic development alongside other actors. This requires the private sector to interact with official state agencies and local administration in order to make its role in contributing to development work successful²⁰. The method of partnership between municipalities is the means to achieve this goal.
- The impact of the political transformations that the country has experienced in recent years at the national and local levels, and the need to assume responsibilities, which has led to the necessity of expanding the jurisdiction of municipalities in the fields of establishing public economic facilities to revive local economic life, through their contribution - i.e. municipalities - to the economic development of society, by taking the local economic initiative in terms of how to use the public hand and how to establish economic projects in cities and rural

areas...etc.²¹, so that local units in the state, including municipalities, must adapt to the requirements of economic, social, and political transformations, and comprehensive national political, economic, and social programs, organizations, and reforms, so that the administrative system responds to these transformations and thereby achieves the effectiveness and rationality of the administrative system and administrative function²². Thus, the Algerian Municipal Law stipulates the municipality's responsibility for managing its own financial resources, and its responsibility for mobilizing its financial resources²³.

- The philosophy of local administration, in order to revive the independence of local communities and affirm their freedom of action, requires certain conditions for their resources, which do not necessarily mean that they are also present in the central administration. These conditions include that the source of these resources be local in origin and as distinct as possible from central sources; that local authorities be granted authority to assess, collect, and supervise them; and that the local resource be sufficient to cover all the needs of local communities and absorb them, so that local units can carry out their duties and satisfy public desires²⁴.
- The increasing growth of the private sector, which has enabled the latter to play a significant role as a partner to the state, in accordance with the social responsibility it bears and which the state assigns to it. The private sector can provide the expertise, money, and knowledge necessary for development operations, in partnership with state agencies²⁵.
- The lack of optimal exploitation of local energies and capabilities, with municipal units reluctant to engage in exploitation and investment, either due to obstacles related to the nature and philosophy of the legal system, such as the suspension of these projects on the approval of the relevant authorities, or due to the fear of heads of departments.

Municipalities or their evasion of responsibility²⁶.

- Financial resources reflect the ability of municipalities to achieve their goals. The more self-sufficient and sufficient these resources are, the more independent they are from the central authority²⁷. In the absence of sufficient self-resources, a municipality must turn to external sources to finance its treasury and drive development within its sphere of operation²⁸. This is especially true since the municipal budget represents the true picture of what it intends to implement during a given fiscal year. It thus reflects the development plans and directions the municipality is working to achieve, given the right of municipal people's councils to any initiative aimed at developing economic activities within their development plans, encouraging economic operators, and creating favorable conditions for investment, etc.²⁹.
- Achieving economic efficiency by mobilizing the efforts and expertise of the public and private sectors and integrating them to achieve local economic development goals that serve the public interest.
- Benefiting from the expertise and innovations available to the private sector, given its significant investments in this field, as a mechanism adopted by the private sector to maintain its market share.

1.3. Third: The content of the partnership between municipalities and the private sector in promoting local economic development

The partnership between municipalities and the private sector in promoting local economic development can take many forms or methods, the most important of which are the following:

1 – Consultative and Opinion-Providing Partnership:

The private sector can contribute to promoting local development by participating at the negotiating table concerned with this development to discuss problems and offer solutions. This includes the closed roundtable organized by the Lebanese Center for Policy Studies on December 19, 2013, which brought together some municipal council heads, numerous officials, and legal experts representing the private sector to discuss the vital role municipalities play in promoting local economic development and potential funding sources³⁰.

2 – Cooperative Partnership:

This partnership is based on a participatory approach between the public and private sectors, and is characterized by a horizontal relationship between the partners. Decisions are made unanimously, and tasks and responsibilities are distributed among the partners. There is no single supervisory authority for either party³¹, so that both the public and private sectors operate at the same level.

3 - Contractual Partnership:

This is done through a contract between the two parties (the public sector and the private sector). The relationship is vertical, and the contract itself specifies a single entity to carry out the required tasks, with a single authority responsible for oversight and monitoring. These contracts take several forms and cover several areas, the most important of which are:

- Service contracts.
- Management contracts.
- Lease contracts.
- BOT contracts or build-operate contracts ³²
- Concession contracts.
- Long-term usufruct contracts.
- Ownership transfer contracts.
- ...etc. ³³

In reality, the partnership between municipalities and the private sector in the field of achieving local development by municipalities is achieved by assigning the management of local public facilities by local public institutions to a private operator, who is authorized on his own behalf for a specific period, while bearing all risks. The private operator receives payment for the public service directly from the beneficiaries ³⁴

I.4. Fourth: Evaluating the partnership mechanism between municipalities and the private sector in the field of promoting local economic development

We cannot deny the positive role of the partnership mechanism between municipalities and the private sector in promoting local development. At the same time, we cannot deny the risks that can arise from such partnerships. Below, we will address the importance of this partnership and the risks it poses, through the following points:

1 - Partnerships between municipalities and the private sector as a means of achieving local economic development:

Launching joint projects between municipalities and the private sector provides a fundamental opportunity for municipalities to finance investment in local economic development. Municipalities can leverage their assets and use them in their partnerships with private companies. This will contribute to creating job opportunities for local residents and stimulating local production. If funds are invested in revenue-generating projects, this will generate new and sustainable sources of income for municipalities in the future³⁵. This partnership also increases municipalities' effectiveness in eliminating the financial drain that has burdened them, enabling them to generate new revenues³⁶, thus investing these revenues in promoting development at the local level. In addition, it diversifies their budget funding sources and prevents them from being siphoned off. Its reliance solely on traditional sources, the most important of which are taxes and state subsidies.

2 - Partnerships between municipalities and the private sector: A method adopted by developed countries:

Partnerships between the public and private sectors, specifically between municipalities and the private sector, are among the methods adopted by developed countries to promote local development. Examples of this include the wide-ranging scope of these partnerships in the United States, which encompasses many services previously provided by the public sector, particularly at the federal and municipal levels. Among the most common shared service facilities are: water services, research, studies, education, urban development, energy, court services, the judiciary, police, prisons, road construction, sanitation, and management and operation of public facilities and services.³⁷

Canada is also among the countries that have paid great attention to this field, particularly in the areas of infrastructure, water exploitation, and distribution. Statistics indicate an estimated 267 active projects between the public and private sectors.

The United Kingdom is also among the first to adopt this approach, with partnerships spanning healthcare, education, prisons, housing, information systems, etc., in addition to infrastructure facilities.³⁸

Therefore, these partnerships are an effective means of achieving local economic development, provided they are utilized in a manner that achieves the latter, given the private sector's pursuit of profit-making objectives that do not take into account the local interests or needs of citizens except as part of the financial objectives of private institutions.

3 - Partnerships between municipalities and the private sector: A method for achieving transparency:

The private sector, with its high-quality human resources and capabilities, bears a degree of responsibility in achieving development. In fulfilling this responsibility, it can ensure transparency in many sectors, given its ability to disseminate information, issue periodic statistics, and facilitate access to information.³⁹ This can be achieved if legal frameworks are put in place to enable the private sector to undertake this role. This is particularly true with the new trends toward digitization, which can be adopted as a tool for developing models for partnerships between the two sectors. This can be achieved through artificial intelligence technologies and digital platforms, which can be employed to enhance transparency in contracts, accurately monitor project implementation stages, and reduce oversight costs. For example,

joint electronic platforms can be created to allow for real-time monitoring of performance indicators, allowing for immediate accountability, reducing the risk of corruption, and correcting deviations from established programs.

Digitization also enhances the governance of partnerships between the two sectors, as independent oversight committees can be established, including representatives from both sectors, to ensure the publication of various project-related data on publicly available digital platforms.

4 - Partnerships between municipalities and the private sector are fraught with challenges:

The possibility of implementing public-private partnership models is often not an easy or straightforward process. There are numerous difficulties and challenges that decision-makers or the private sector may face, challenges that vary from one country to another and from one project to another⁴⁰. The most prominent of these difficulties and challenges are the following:

A- Deficiencies in legislative regulation:

Experience has shown that when governments begin to move from reforming macroeconomic policies to the details of restructuring their public sector institutions, they often tend to overlook the need for legal changes or miscalculate the time required for these changes ⁴¹

From the data obtained, it is clear that this partnership emerged without prior political planning, but rather out of immediate need and as a result of the integration and convergence of the natural roles and objectives of the relevant parties⁴². Indeed, studies indicate that partnerships between municipalities and the private sector can only take place within a sound legal framework that covers all aspects of the partnership. However, given the diversity of legal norms across countries, the legal frameworks for dealing with these partnerships vary greatly from country to country. For example, there may not be specific laws for these partnerships in countries that operate under a general legal framework, because all provisions regulating these partnerships are included within the partnership contracts themselves. Countries may issue legislation to regulate these partnerships despite the existence of legislation regulating the areas of economic activity within which the partnership takes place⁴³. However, many researchers believe that—in Algeria—the necessary environment must be provided to strengthen the private sector and provide

The appropriate and stable economic conditions for this are met, in accordance with the approach appropriate to the Algerian state⁴⁴. This is achieved after providing the appropriate legislative framework. It is impossible to say that the private sector has succeeded in partnering with municipalities to advance development unless the legislator has succeeded in creating a sound legal framework regulating this partnership. This is especially true since the Municipal Law does not regulate this partnership in a manner that specifies its modalities and outcomes. Rather, this regulation is left to the executive authority to issue instructions in this area, including, but not limited to, the directive issued by the Ministry of Interior regarding the concession and leasing of local public facilities ⁴⁵

Therefore, it is preferable to establish unified criteria for measuring success in partnership contracts. These criteria are based on the time factor and return compared to cost, while also including the percentage of this type of partnership's contribution to job creation and reducing unemployment, in addition to the level of satisfaction of the beneficiaries of these projects. In short, this creates a basket that includes a set of criteria to assess the effectiveness of partnerships between the two sectors, to evaluate them, and to work to mitigate the challenges and difficulties they face.

B- Weak initiative to establish partnerships between the public and private sectors:

There is a lack of initiative on the part of the concerned parties. The private sector does not usually seek partners in municipalities despite the potential opportunities they have. Likewise, municipalities lack the initiative to conclude these partnerships due to the prevailing culture that municipalities are a service sector and should not engage in investment, as this is considered a departure from custom and may expose them to criticism because they appear as if they are seeking either to sell the municipality to the private sector or expose the municipality to unsafe investment⁴⁶. In addition, the private sector's contribution to achieving local economic development through its partnership with municipalities can only be achieved by providing appropriate conditions for this sector, such as creating a stable economic environment to enable it to carry out its role ⁴⁷

C- Opposition to Public-Private Partnerships:

This opposition stems from a lack of public awareness stemming from a significant segment of citizens accustomed to the existence of the public sector. This segment still clings to the idea of public ownership, based on its connection to the idea of distributive justice and the state's care for all members of society⁴⁸, on the one hand, and stems from the private sector's pursuit of abundant profit and its lack of concern for achieving the community's interests except through achieving its own interests⁴⁹

Therefore, the success of public-private partnerships is not limited to the legal or technical aspects, but rather has a close relationship with the social and cultural aspects. Members of society find it difficult to trust the private sector for fear of rising prices or the monopolization of goods and services. Therefore, it is necessary to adopt an approach that involves civil society as a third party in this evaluation and monitoring process.

5- The Impact of Projects on the Environment:

Reality has proven that private investors, within the framework of their partnerships with local communities, only seek profit as the primary goal of the private sector. To achieve this, they pay no attention to the environmental damage their projects and economic activities can cause. In contrast, local communities, including municipalities, also focus on driving economic development by encouraging the private sector, with which they have partnered, to achieve this development and advance various social and economic aspects at the local level. In this endeavor, they neglect their duties toward preserving the environment, which has been suffering from the damage caused by private sector activities. Therefore, public-private partnerships can be directed toward investing in environmentally friendly projects, or at least include environmental conservation criteria (e.g., recycling, use of renewable energy, emission reduction, etc.) within the terms of contracts. Such conditions represent a qualitative shift in the approach to partnerships, creating a balance between local economic development and environmental conservation.

6 - Municipalities Sharing Risks with the Private Sector:

The difference between projects implemented using traditional methods and those implemented within the framework of private-sector partnerships lies in the fact that public-private partnerships allow municipalities to share more risk with the private sector. At the same time, poorly designed private-sector partnerships may expose the municipality to greater risks, given the long-term contracts these partnerships may entail ⁵⁰.

II– Methods and Materials: Research Methodology

This study relied on descriptive and analytical approaches, through:

- A description of the various concepts the study required to address,
- An analysis of Algerian legal texts related to public-private partnerships,
- A comparative study of international experiences through official sources and economic reports.

IV- Conclusion:

At the end of this research, we were able to reach a set of findings, the most important of which are:

- The municipality, as the primary grassroots group for local administration, is entrusted with contributing to economic development at the local level. To fulfill this role, given its limited budget and the increasing burdens imposed by development requirements, it must seek new economic alternatives, the most important of which is partnership with the private sector.
- Globalization has encouraged the adoption of partnerships between municipalities and the private sector to achieve development. This is due to the expertise, technology, and capital that this sector offers, which are not available to local communities, which are among the state institutions that have failed to fulfill their development role. This necessitates leveraging this expertise, technology, and funding to achieve local development. This is achieved by forging partnerships with the private sector, through which municipalities can meet public needs and advance various economic and social activities at the local level. The approach of partnerships between municipalities and the private sector is among the successful approaches adopted by developed countries to promote local economic development. This is due to the nature of the capitalist system in these countries and their openness to the private sector, which has led to positive results consistent with the objectives of local partnerships, especially in light of the increased awareness among the private sector in these countries.
- The approach of partnerships between municipalities and the private sector in developing countries, while considered a new approach imposed by internal and external circumstances on these countries, has not yet achieved its desired goals. This is due to a lack of awareness, both among municipalities, who adopt this approach with apprehension and reservations due to the lack of competence and qualifications among local managers. Citizens, who have become accustomed to the socialist approach (previously known as the "state") and are convinced of the role of the state and its institutions in undertaking development without the presence of the private sector, which, according to them, only aims to generate profits and cannot achieve any development, also remain wary of the private sector, which remains apprehensive about entering into partnerships with state institutions, given the exceptional privileges and powers unparalleled among private sector entities.

- Digitization can be adopted as a tool to develop models for public-private partnerships, using artificial intelligence technologies and digital platforms that can be employed to enhance transparency in contracts, accurately monitor project implementation stages, and reduce oversight costs. For example, joint electronic platforms can be created to allow for real-time monitoring of performance indicators, enabling immediate accountability, reducing the risk of corruption, and correcting deviations from established programs.
- Digitization enhances the governance of public-private partnerships, as independent oversight committees can be established, including representatives from both sectors, and ensuring the publication of various project-related data on publicly available digital platforms.
- Public-private partnerships can be directed toward investing in environmentally friendly projects, or at least include environmental conservation criteria (e.g., recycling, use of renewable energy, emission reduction, etc.) within the terms of contracts. Such conditions represent a qualitative shift in the partnership model followed, creating a balance between local economic development and environmental conservation.
- The success of a public-private partnership is not limited to legal or technical aspects, but is closely linked to social and cultural aspects. Community members find it difficult to trust the private sector for fear of price increases or the monopolization of goods and services. Therefore, it is essential to adopt an approach that involves civil society as a third party in this evaluation and monitoring process.
- Establishing unified criteria for measuring the success of public-private partnership contracts. These criteria are based on time and return versus cost, while also including the percentage of this type of partnership's contribution to job creation and reducing unemployment. Furthermore, it also includes the level of satisfaction of beneficiaries of these projects. In short, creating a set of criteria to assess the effectiveness of public-private partnerships, to evaluate them, and to work to mitigate the challenges and difficulties they face.

All of this leads us to say that the partnership between municipalities and the private sector in Algeria, although an inevitable approach in light of the current circumstances, is still in its infancy, and therefore we do not expect it to play the developmental role hoped for in the short term. Furthermore, given its novelty, this partnership still requires the establishment of legal frameworks capable of regulating the rights and duties of both municipalities and the private sector. These frameworks can encourage the private sector to integrate into development projects without hesitation, and give municipalities the courage to conclude partnership contracts with this sector, thus giving public opinion the opportunity to understand and support the necessity of establishing this partnership.

We conclude by saying that the partnership between municipalities and the private sector in Algeria, given that it is considered a young experiment and it is too early to judge its success or failure, we do not deny the risks that arise from such partnerships, especially in light of the lack of competence and awareness of local affairs managers, in the face of the greed of private individuals who only aim to achieve material profit before any other interest. These are risks that can negatively affect the citizen, especially if security is related to the risk of threatening the environment. In the face of this risk, we cannot say that this partnership has any success, nor can we say that there is any development.

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