

**The role of local communities in achieving local development  
- Case Study of the Municipality of Tissemsilt -  
From 2013 to 2017**

دور الجماعات المحلية في تحقيق التنمية المحلية  
دراسة حالة بلدية تيسمسيلت من 2013 الى 2017

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**Abstract**

Algeria, like other countries, seeks to achieve economic development in general and local development in particular, However, under the circumstances defined by the Algerian economy due to low oil prices, the local communities must do more efforts in order to combat the deficit at the municipal budget level.

Despite the fact that the municipality of Tissemsilt is dependent on the agriculture sector as the sole source of wealth creation and permanent employment, it still suffers from the lack of funding sources at the municipal level due to several reasons, Within the municipal development plans.

**Keywords:** local development, local communities, local finance.

**ملخص:**

تسعى الجزائر كغيرها من الدول إلى تحقيق التنمية الاقتصادية بصفة عامة والتنمية المحلية بصفة خاصة، ولكن في ظل الظروف التي يعرفها الاقتصاد الجزائري بسبب انخفاض أسعار البترول لا بد من تكثيف جهود الجماعات المحلية من أجل تحقيق التنمية المحلية ومكافحة العجز على مستوى ميزانية البلديات. هذا ونجد أنه بالرغم من أن بلدية تيسمسيلت تعتمد في سياستها التنموية على قطاع الفلاحة باعتباره المصدر الوحيد لخلق الثروة ومناصب الشغل الدائمة إلا أنها لا تزال تعاني من نقص في مصادر التمويل على مستوى البلدية وذلك راجع لعدة أسباب أهمها نقص اليد العاملة المؤهلة، وعدم متابعة المشاريع المسجلة ضمن مخططات التنمية للبلدية. **الكلمات المفتاحية:** التنمية المحلية، الجماعات المحلية، المالية المحلية.

## Introduction

Financing remains the main problem of the development problem in Algeria as a developing country. Its success in achieving recovery and economic growth depends on its ability to increase investment rates, which is the backbone of any serious and developed economic development. Under the administrative and economic reforms and reforms in Algeria, Investments have an important and distinctive role both at the level of the national economy or at the level of local groups whose functions derive from the functions of the state, as the representative at the local level and the closest to understanding the concerns of the citizen and his problems and knowledge of problems Social and social development of the region.

The municipality is chosen as a grassroots body as closer to the local population, which can ensure that local development is closely managed to know the real needs of the local population.

The following problems can be raised:

### **What is the contribution of local communities to local development?**

**Sub-questions:** We try to simplify the problem by asking a set of sub-questions:

- What are the most important local development requirements?
- What are the most important sources of funding in the municipality of Tissemsilt?
- Which obstacles to the way of local communities and prevent them from performing their functions?

### **Research importance:**

The importance of this research is to try to understand the importance of local communities and their role in achieving local development, as well as to study the state of Tissemsilt and to identify the most important factors of success and failure.

**Research goals:** Through our research, we aim at the following points:

- Identify local development concepts and local communities.
- Monitoring the most important sources of funding in the municipality of Tissemsilt.
- Know the role of local communities in achieving local development by dropping the study on the Municipality of Tissemsilt.

**Structure of the research:**In the light of the problem we will try to address through the following axes:

- **The first axis:** Theoretical side of local development and local communities.
- **The second axis:** Public Finance of the Municipality of Tissemsilt.
- **Third axis:** Obstacles to local development in the municipality of Tissemsilt.

### **The first axis: Theoretical side of local development and local communities.**

#### **Firstly: Definition of local development.**

- ❖ Local development is defined as the process by which effective cooperation between citizens' efforts and the efforts of the public authorities (the Country) to raise the level of local communities and local units;economically, socially and culturally that can be achieved from the perspective of improving the quality of life within a comprehensive and integrated system<sup>1</sup>.

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<sup>1</sup>Abdulmutallab Abdel Hamid, **Local Finance**, University House, Alexandria, 2001, p13.

These operations are based on two main factors:<sup>2</sup>

**A-** the contribution of the citizen themselves need to make much efforts to improve their standards of living.

**B-** To provide the necessary technical and other services in such a way as to encourage initiative and mutual assistance among the elements of society and to make these elements more effective, From this it can be concluded that the main engine of development is to rely on the local environment's privacy from a human resource and self-financing, As the energies of local development projects, the human element is more aware of other needs of development, in addition the communities rely on their financial resources as they become more independent financially , And then in the decision-making local development according to the criteria and additional positive values benefit the citizens.

- ❖ Local Economic Development is a process where the local actors shape and share the future of their territory. We could define it as a participate or process that encourages and facilitates partnership between the local stakeholders, enabling the joint design and implementation of strategies, mainly based on the competitive use of the local resources, with the final aim of creating decent jobs and sustainable economic activities.
- ❖ Local economic development “is essentially a process in which local governments and/or community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area.

**Secondly: the objective of the local development:** The main objectives of local development are:<sup>3</sup>

- Inclusion of the various areas of the state in development projects ensures justice and prevent its concentration in the capital or in the centre of population attraction.
- Not to disturb the demographic structure and distribution among the country's provinces and to reduce internal migrations from rural to urban areas.
- Accelerate the process of comprehensive development and increased citizen's awareness to maintain projects that contributed to the planning and completion.
- Increase cooperation and participation between the population and their local councils, which helps to change the community from a state of indifference to active participation.
- Increasing the financial capacity of the local bodies, which contributes to strengthening of their duties and independence.
- Development of services, activities, economic and social projects in local communities and the work to transfer them from the traditional to the modern method.
- Provide an enabling environment for people in the communities to be creative and self-reliant without relying entirely on the state and waiting for its projects.
- Strengthening the spirit of social action and linking people's efforts with the government's ones to promote the country economically, socially and culturally.

**Thirdly: Definition of Local Communities:**

Local groups in the public perception are meant to refer to a group of inhabitants who lives within certain boundaries of the map of the State, characterized by specific

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<sup>2</sup>Mustafa El-Gendy, **Reference in the Local Administration**, Al-Ma'aref Establishment, Alexandria, 1971, p. 94.

<sup>3</sup>Khonfri Khaidar, **Financing of Local Development in Algeria - Reality and Horizons**, PhD thesis, University of Algiers 03, 2011, p. 28, 29.

characteristics and social values related to the customs, traditions and customs of the group, To organize their own affairs and to promote economic, social and cultural development in order to promote the local authority at all levels in coordination with the Supreme Commission at the national level<sup>4</sup>.

**Fourthly: Economic objectives of local communities:** Includes:<sup>5</sup>

- Contribution of local units in the preparation of development plans and take advantage of local economic potential and directed towards productive and service projects, to create employment opportunities for citizens of local units.
- Encourage the mobilization of domestic capital.
- Improving the economic aspects of local residents by increasing the real income of individuals.
- Increase the prospects for the development of economic and social development, such as: establishing markets, establishing opposition, developing small industries, raising livestock and sheep and reclaiming land.
- Establishment and management of projects.
- Adult education and projects for the elderly and the disabled.

**The second axis: Public Finance of the Municipality of Tissemsilt.**

**Firstly: Technical Card for Tissemsilt.**

The state of Tissemsilt is a newly established state located in the western High Plateau region. It occupies an area of 3,151.37 km<sup>2</sup> and has a population of more than 400,000. It includes 08 districts and 22 municipalities (16 of which are located within the mountainous mountain range), bordered by the provinces of Chlef and Ain Defla, the State of Tiaret from the south, from the east Medea and from the west Guelizan.

It passes through the first two national routes No. 14 (220 km from the headquarters of the state to Algiers) and the second number 19 (link it with Chlef about 119 km).

It is characterized by a semi-dry climate in the south and center, and a wet wester in the Alwanshariss, with a precipitation ranging from 400 to 600 mm / year.

The state is also dependent on the agricultural sector as the only source of wealth creation and permanent employment. Its agricultural area is estimated at 189,000 hectares, of which 145,465 hectares are arable and 15,000 hectares are irrigated. The state has great tourist potentials represented in three main regions:

- National Hanger of Supply: Known as the bride Alwanshariss about 1923 meters, located about 20 km from the city of Thniet el Had and 50 from the state of Tissemsilt.
- The regional barn EinAntar: It occupies an area of 500 hectares in 1983, covered by snow in the winter, where there are many types of trees such as oak, rice, pine.
- Sidi Sulaiman area: Strategically located at a height of 1230 meters, there is a metal station flowing from the depth of the rocks exploited since 1910, the temperature of water is 42 degrees and is suitable for the treatment of many diseases.

**Secondly: Geographical location of Tissemsilt Municipality:**

The municipality of Tissemsilt was found on August 8, 1924 and it is called "Vialar" by the French philosopher Vialar Antoine Etienne Angustin, who was a supporter of the Algerian revolution. It is one of the largest municipalities in the state in terms of area and

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<sup>4</sup>Ahmed Biljilali, **The Problem of Municipal Disability**, Magister's Memoir, Faculty of Economic Sciences, Commercial Sciences and Management Sciences, University of Abu bakr Belqayed, Telemcen, 2010, p. 21.

<sup>5</sup>Mohamed Kareem Kroof, **Limited Domestic Financing and the Problem of Local Budget Reforms for Local Communities in Algeria**, Intervention in the First International Forum on Local Governance between the Problem of Finance and Local Development Decisions - Municipalities as a Model - Guelma, 8-9 November 2016, p 72.

population. Its municipal administration is attached to Ain al-Karma, attached to Ain al-Burj, attached to al-Marjah neighborhood, attached to Bani Mayda and attached to Umm al-'Alu.

### **Thirdly: Economic and Social Indicators of the Municipality:**

The Municipality of Tissemsilt is located in the south of the state, with 210 km<sup>2</sup> of which 19272 hectares are arable land and 18507 hectares are agricultural land, which is inhabited by about 86085 inhabitants<sup>6</sup>:

- 74074 people in the city centre.
- 5834 people in secondary communities.
- 4381 in rural areas.

In terms of development, the link between different Networks reaches:

- Drinking water is 98%.
- Sewage by 95%.
- Gas City by 82%.
- Electricity by 96%.
- Urbanroads by 85%.

### **Third Axis:Obstacles to Local Development in the Municipality of Tissemsilt.**

#### **Firstly:Local Finance of Tissemsilt:**

The municipality of Tissemsilt relies on its own budget to finance its own resources, which include all movable and non-income producing real estate (producing income 297 and not producing income 53) on the one hand, and on the various resources collected through local collection on the other hand, State subsidies to the municipality.

1- **The Financial Resources of the Municipality:** are represented in the various proceeds of property and exploitation, in addition to the regular collection revenues that contribute to the financing of the municipal budget.

• **Property Revenues and Exploitation:** Property revenues are the proceeds obtained by municipalities from the exploitation of their property either through rent or sale. Although property revenues are relatively weak, they represent an important resource that contributes, in part, to municipalities expenses. Property revenues are also a means of enhancing their independence As the municipality is the owner of the decision to determine the value of revenues, collect and disposed , and the proceeds of municipal property vary according to the size and diversity of property, whether real estate or movable<sup>7</sup>.

It is mainly in the rental of real estate properties, namely:

#### **Table 01shows the differentincomeproducingproperties of the municipality of Tissemsilt.**

| <b>Municipal property producing</b>             | <b>income</b> |
|---|---------------|
| Shops with a commercial character               | 82            |
| Public housing                                  | 26            |
| The municipal altar                             | 01            |
| Municipality Coffee                             | 03            |
| Multi Service Hall                              | 01            |
| Sports Hall                                     | 01            |
| Business Center                                 | 09            |
| Passenger Terminal Building (Cafe + Restaurant) | 01            |
| Stalls  | 13            |

<sup>6</sup>Interview with the taxpayer for the municipality of Tissemsilt.

<sup>7</sup>Article 170 of Law No. 11/10 of July 22, 2011 concerning the Municipality, published in the Official Gazette No. 37.

|                         |            |
|-------------------------|------------|
| Public toilets          | 01         |
| Exhibition Palace Shops | 159        |
| <b>Total</b>            | <b>297</b> |

**Source:** The Head of Administration and Finance / Local Finance Department of Tissemsilt Municipality.

In addition to the rental of these properties, there are other revenues: road and parking fees, road construction, municipal permits, construction permits, municipal rights, party rights and revenue from signage at the municipal level, as well as rent of equipment such as trucks, Busses and large equipments such as public works.

In spite of this, the income of exploitation is an important tool for the financial independence of the municipality because it is directly related to the services provided by the municipality on the one hand, as well as to the control enjoyed by the municipality on this type of revenue on the other hand, either in determining its fate through the deliberations of the municipal council or with regard to collection through and thus can be called the revenues of exploitation as the revenues of the municipality, which is the return to the total, and this is contrary to tax revenues that the municipality does not have any powers on them, either with regard to the determination of the amount or collection. However, it should be noted here that the freedom or authority enjoyed by the municipality is not absolute. There are some legal aspects that intervene and which define how to determine the prices of these services in addition to the need of approval of the authorities on them and thus municipalities lose their freedom in this matter<sup>8</sup>.

What can be said in this context is the poor returns of property and exploitation of the municipality of Tissemsilt, as the following table shows the weakness of financial revenues obtained compared to what was expected to get:

**Table 02 shows the percentage of revenues obtained for the municipality's own resources compared to what was expected to be obtained.**

| Amount to be collected | Amount received | The rest is collectible | Collection rate |
|------------------------|-----------------|-------------------------|-----------------|
| 530733209DA            | 298846134 DA    | 231887075 DA            | 56%             |

**Source:** the Head of Finance and Administration / Local Finance Department of Tissemsilt Municipality.

The table shows that the municipality does not obtain all the financial resources it expects during the previous year due to the rent of the various real estate properties that produce its income due to the evasion by the debtors of the rental rights. According to the head of the Finance Department, the municipality is unable to take any legal action Against these debtors because of the delay and difficulty of legal procedures, since the costs paid by the municipality are often more than the amount you will collect, which makes them always avoid legal ways to take advantage of all its revenues.

**2. Taxation Resources:** Taxation is the most important financial resource of the municipality, which are the tax revenues and fees imposed on natural persons residing in the municipality and the legal persons engaged in their activity within its territory.

The collection of taxes and fees for the municipality at the level of the Tax is done by the account card, which includes fiscal estimates for the fiscal year on which the budget is based.

<sup>8</sup>Abdelkader Mowaffak, **Financial Independence in Algeria**, Journal of Economic and Administrative Research, No. 02, Faculty of Economic Sciences and Management, University of Mohamed Khader, Biskra, Algeria, p104.

The tax resources are divided into taxes and fees that are collected in total for municipal and municipal municipalities (the State, the former Common Community Fund and the Social Security and Solidarity Fund)<sup>9</sup>.

**Secondly: Taxes and Fees Collected for the Municipality:** Represented in:<sup>10</sup>

**Real Estate Fee:** The real estate fee is based on real estate structures regardless of whether they are built or not. The percentages vary according to the area in which the municipality is classified.

**Disinfection fee:** This is an annual fee for the removal of household fumes paid in the name of the owner or beneficiary. This fee is imposed only on the properties that benefit from the services provided by the municipality.

The real estate fee and the cleaning fee are 100% for the municipality and they are collected at the municipal treasury level.

**Drawing on Advertisements and Professional Plates:** This fee was established under Law 99/11, which includes the Finance Act 2000, where Article 56 of the law stipulates that this fee is imposed on various advertisements and professional plates:<sup>11</sup>

- Advertising on ordinary papers, printed or hand-written.
- Advertisements that have been subjected to the processing of what was intended to prolong their stay or was covered with glass or other material.
- Classified adds or in general are pending in a public place.
- Illuminated advertisements consisting of a set of specially marked letters or signs.
- Professional sheets of all materials are intended for the definition of activity and place of practice.

The same article excluded the declarations relating to the state and regional groups and bearing the human nature and the proceeds of this fee are entirely in favour of the municipality.

**Thirdly: Taxes and Fees Collected in Part for the Municipality:**

**Drawing on the professional activity:** The fees the number of works achieved by different persons who engage in professional activities, whether commercial or industrial, and the rate of the fee is distributed as follows:

**Table 03 shows the distribution of the percentage of the fee on the professional activity.**

| Drawing on the professional activity | State  | Municipal | Solidarity Fund and Social Security |
|--------------------------------------|--------|-----------|-------------------------------------|
| 100%                                 | 29.50% | 65%       | 05.50%                              |

Source: Taxation Directorate of the State Tissemsilt.

As the municipality of Tissemsilt is of a peasant nature, the legislator has put several exemptions from the tax on agricultural activity for economic and social considerations. In addition, the municipal tax collection is not served due to the income resulting from the practice of agricultural activity and the lack of benefit of the municipality from the sector as a whole.

Therefore, the drawing on the professional activity is characterized by its relative stability in terms of its contribution to direct taxes, and is characterized by periodicity and regularity and thus makes it easier for the State to raise the price in the desire to obtain additional resources.

<sup>9</sup>[dspace.univ-tlemcen.dz/bitstream/112/6569/1/memoire.pdf](http://dspace.univ-tlemcen.dz/bitstream/112/6569/1/memoire.pdf) , the date of watching:13th of august, 2017at 21:19.

<sup>10</sup>[www.webreview.dz/IMG/pdf/ared0203](http://www.webreview.dz/IMG/pdf/ared0203), thedateofwatching 13 thofaugust, 2017 at 23:00.

<sup>11</sup>Article 56 of Law 11/99, including the Finance Act 2000.

**The Tax is the Only Tax:** It represents an important resource in the municipal budget and no less important than the fee for professional activity, where the fee is on commercial activities that exceed 30 million DA, and how the distribution is distributed between each municipality<sup>12</sup>, state and fund as follows:

**Table 04 shows the distribution of the single tax rate.**

| The sole tax. | Municipal | State | State Budget | Chamber of Commerce and Industry | Chamber of Handicraft and Trades | Traditional National Chamber and Crafts | Social Security and Solidarity Fund for Local Communities |
|---------------|-----------|-------|--------------|----------------------------------|----------------------------------|---|---|
| 100%          | 40.25%    | 05%   | 49%          | 0.50%                            | 0.24%                            | 0.01%                                   | 05%   |

Source: Taxation Directorate of the State of Tissemsilt.

Value added tax represents the difference between the value of GDP and intermediate consumption (the difference between income and costs). The final consumer is charged indirectly to the value of the purchases. Merchants and institutions pay the fees and then receive them, thus playing the role of intermediary in the collection process. The fee is 19% as a normal rate applied to products, goods and services and 9% as a low rate that includes goods and services and applies to products, tools and goods ... The value added ratio is distributed as follows:

**Table 05: The Distribution of the Value Added Fee and the Percentage of the Municipality.**

| Value Added Tax | Municipal | State Budget | Social Security and Solidarity Fund for Local Communities |
|-----------------|-----------|--------------|---|
| 100%            | 10%       | 80%          | 10%   |

Source: Taxation Directorate of the State of Tissemsilt.

What can be observed here is the weakness of the municipality's share of the collection of the value added fee, despite its importance in financing the local collection. There is a kind of imbalance in the distribution system between the municipalities as such. For example, we find the value added fee applied to imported goods so that the beneficiary is the coastal municipalities that contain ports or airports and customs centers, while those goods can be directed to other municipalities where the consumption process, that is, the municipality benefiting from the fee and the consumers are different and the same for the local products subject to this fee. The headquarters of the institution may be different from the municipality where the production takes place. Consumption, in turn, is directed at many municipalities, creating a kind of imbalance that has rich municipalities with a surplus of money, unlike other municipalities with a fiscal deficit.

**Table 06 shows the most important taxes and fees collected for the benefit of the municipality of Tissemsilt.**

| Tax Type or Taxation             | Selections 2013/DA | Selections 2014/DA | Selections 2015/DA | Selections 2016/DA | Selections 2017/DA |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Drawing on professional activity | 108849747          | 180326242          | 149428977          | 124071019          | 144205090          |
| Real estate drawing and          | 224149             | 307004             | 178766             | 503087             | 706                |

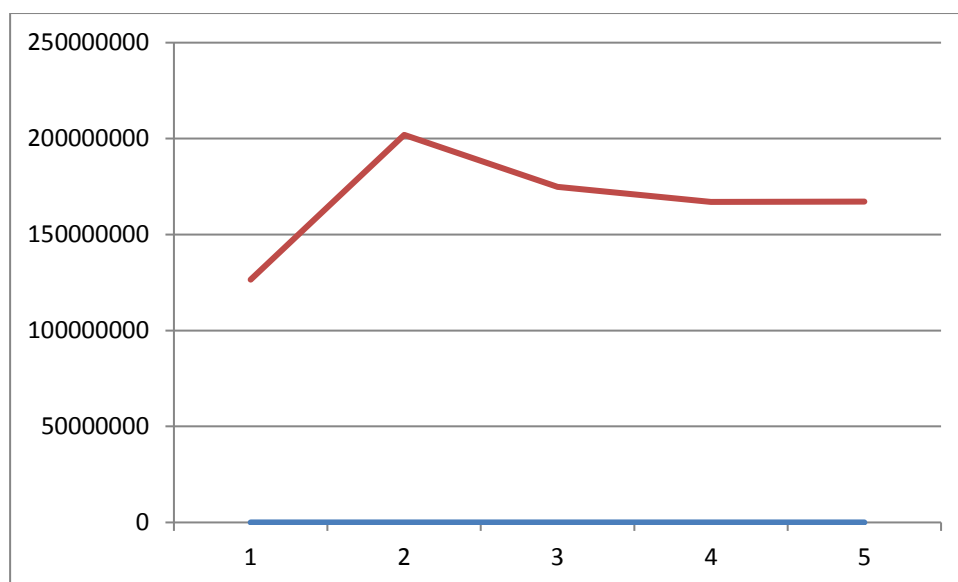
<sup>12</sup>Article 30 of the Supplementary Finance Act 2015 of 23 June 2015 on Investment and Local Collection, Official Gazette No. 40.



|                               |                  |                  |                  |                  |                  |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>disinfection</b>           |                  |                  |                  |                  |                  |
| <b>Compulsory payment tax</b> | 4212216          | 5356820          | 6318489          | 10939298         | 18712349         |
| <b>Value Added Tax</b>        | 12346009         | 12834454         | 17474953         | 29638238         | 2795619          |
| <b>Real estate income</b>     | 890419           | 706467           | 1424068          | 1828324          | 1454626          |
| <b>Total</b>                  | <b>126522540</b> | <b>201943987</b> | <b>174825263</b> | <b>166979966</b> | <b>167168390</b> |

Source: Taxation Directorate of Tissemsilt.

**Figure 01: A curve illustrating the evolution of the local tax collection of Tissemsilt.**



Source: Prepared by the student based on Table 06.

Table 06 and Curve No. 01 note that there is a significant reduction in the collection of local tax revenues for the municipality of Tissemsilt for the years 2015 and 2016 compared to 2014, despite the financial situation defined by the general budget of the country as a whole and the recommendations aimed at improving and moving more towards local collection to finance the budget. Especially in light of the collapse of oil prices, which reduces the assistance provided by the state in the context of rationalization of public expenditure.

**Table 07 shows the contribution of municipal revenues to the financing of the budget for 2017.**

| Year / nature of revenue | Local tax collection | Returns of municipal property | Distribution Equation Grant |
|--------------------------|----------------------|-------------------------------|-----------------------------|
| Selections2013/AD        | 126522540            | 6720190,52                    | 72721906                    |
| Selections2014/AD        | 199530987            | 6616190,52                    | 104906000                   |
| Selections2015/AD        | 178598263            | 8367190,52                    | 157997414                   |
| Selections2016/AD        | 173377966            | 6504102,82                    | 97538800                    |
| Selections2017/AD        | 173593621            | 10923660,82                   | 97805400                    |

Source: Directorate of Finance and Administration / Local Finance Department of Tissemsilt Municipality.

The table shows that there is a significant decrease in the budget revenues of the municipality of Tissemsilt for the years 2015 and 2016 compared to 2014, where the Municipality depends on the coverage of its revenues on local revenue revenues by 57% and on the returns of property and exploitation by 07%, but this is not enough to cover all Public expenditure, and the state intervenes to cover the remaining through the various subsidies and assistance provided by 34%.

The local taxpayer also contributes to the financing of the steering department by covering its necessary expenses. However, despite the high taxes of the collection, it is still

unable to cover all the expenses of the administration. This is a clear indication of the ineffectiveness of the tax policy in financing the budgetary burden<sup>13</sup>. The following table:

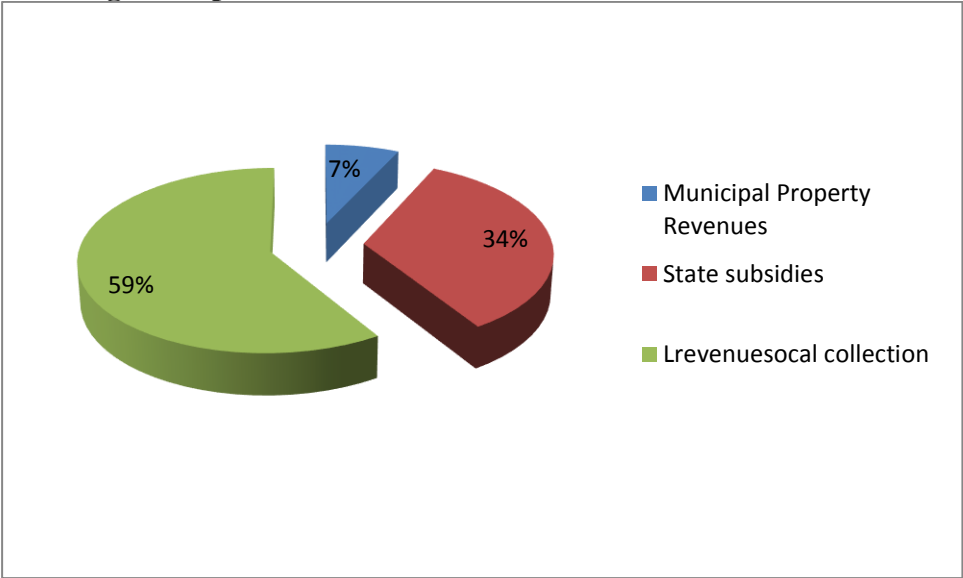
**Table 08 shows the contribution of the regular fee to cover the management expenses.**

| Years | Actual Ordinary Taxation | management expenses | the ratio of the actual regular charge to the management expenses |
|-------|--------------------------|---------------------|---|
| 2012  | 122782908.00 AD          | 265981246.82 AD     | 46%   |
| 2013  | 128371240.00 AD          | 276255055.52 AD     | 46%   |
| 2014  | 201943987.00 AD          | 356155842.02 AD     | 56%   |
| 2015  | 174825563.00 AD          | 344962867.52 AD     | 50%   |
| 2016  | 166979966.00 AD          | 277420868.82 AD     | 60%   |
| 2017  | 167168380.00 AD          | 282322681.82 AD     | 59%   |

Source: Directorate of Finance and Administration / Local Finance Department of Tissemsilt Municipality.

We note from Table No. 08 that the ordinary tax revenues are not balanced, with only 60% of the contribution of the Steering Division. This can be attributed to factors related to the tax system itself, as well as to the economic situation as a whole, through the large number of exemptions and reductions approved by the public authorities to achieve a set of economic and social goals.

**Figure 02: shows the percentage of the contribution of the regular collection in financing the budget compared to other income.**



Source: Directorate of Finance and Administration / Local Finance Department of Tissemsilt Municipality.

The figure shows that local tax collection is the most important source of funding for the municipality of Tissemsilt, which accounts for 59% of the total revenues compared to the other self-resources represented by the returns of the property, which represents a weak rate of 7%. Resorted to subsidies provided by the State to cover this deficit by an estimated 34%.

Since the local collection of revenues and municipal property revenues are insufficient to finance the municipality's budget and cover all expenditures, the state intervenes to cover the registered deficit through subsidies granted by the municipality called equal distribution formula<sup>14</sup>.

<sup>13</sup>Through an interview with the Secretary-General of the Municipality of Tissemsilt and to consider the annex on how to calculate the various contributions made by the municipality.

<sup>14</sup>Ministerial Order No. 675 dated October 24, 2016, concerning the preparation and preparation of the initial budgets of the states and municipalities for the year 2017, which authorize the municipalities and graphically recording 70% of the amount of distribution equation by the level of the fiscal year 2016.

#### **Fourthly: Obstacles to Local Development in the Municipality of Tissemsilt:**

However, despite the efforts made by the State in the area of development, there are several obstacles to its way at the level of the municipality of Tissemsilt:

- Lack of institutions specialized in the completion of major projects at the local level, including: construction, irrigation, roads ... Which makes the authorities always resort to the use of institutions from outside the state;
- Lack of qualified and follow-up studies offices;
- Lack of qualified labor;

not follow up and control the completion of projects, which contributes to the failure and not received at the specified time, Therefore, the improvement of economic and social indicators confirms this development, which must be supported in sustainable development plans, especially the productive sectors that are directly related to the promotion and improvement of the conditions of citizens.

#### **Conclusion:**

Local development in the state of Tissemsilt faces a range of challenges to the achievement of the objectives for which it has been found. Among these are the limited local financial resources of local units, the low profile of political participation in the local environment and other obstacles to local communities for local development.

**Results:** Through this study, the following results were obtained:

- ❖ Tissemsilt municipality in its development policy depends on the agricultural sector as the only source of wealth creation and permanent jobs.
- ❖ Most of the developmental achievements in the state of Tissemsilt were sectorial they did not achieve the desired effectiveness. This is due to several reasons, the most important one is the lack of internal resources of the state, which make it dependent on government subsidies and therefore the absolute dependency instead of absolute decentralization.
- ❖ Lack of qualified manpower and lack of follow-up and monitoring of the completion of development projects of the obstacles facing the local development in the state of Tissemsilt.
- ❖ The state still suffers from limited economic fields, as there is no industrial plans , which leads to the lack of employment opportunities and do not achieve the level of well-being of local citizens.

**Recommendations:** Through the results reached, the following suggestions can be made.

- ❖ Considering the fact that the city of Tissemsilt is characterized by its peasant nature, it is possible to invest in this field by creating a tax on agricultural activity and on raising live-stock.
- ❖ Fighting fraud and tax evasion.
- ❖ Raise awareness of citizens about the positive role of taxation.
- ❖ Make serious and deliberate changes, especially with respect to the local tax system, since collection is the main source for the local community budget.

#### **Margins and References:**

- 1- Abdelkader Mowaffak, **Financial Independence in Algeria**, Journal of Economic and Administrative Research, No. 02, Faculty of Economic Sciences and Management, University of Mohamed Khader, Biskra, Algeria.
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