


**THE EFFECT OF LOCAL GOVERNANCE IN ACHIEVING SUSTAINABLE DEVELOPMENT
IN LIGHT OF THE CONTEMPORARY ECONOMIC AND POLITICAL
TRANSFORMATIONS, (CASE STUDY: EGYPT)**

Khaled Fayez Bazeed^A



ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 09 June 2023</p> <p>Accepted 06 September 2023</p>	<p>Purpose: The objective of this study was to identify the profile of academic research on blended learning in the world and propose a research agenda for the topic.</p> <p>Theoretical framework: Local governance is important to advancing the SDGs, but how realistic it is that public and private actors at local levels of governance will take on the challenge of spurring local action to achieve the SDGs rather than relying on international organizations and national governances. Reddy, P. S. (2016).</p>
<p>Keywords:</p> <p>Sustainable Development Goals Management; Local Governance; Local Economic; Development; Sustainable Development.</p>	<p>Design/Methodology/Approach: The research investigate the impact of local government on sustainable development in Egypt as a case study using an econometric model of annual time series from 2000 to 2020 for several variables that reflect sustainable development as independent variables and using the volume of spending on local governance as a dependent variable, using ARDL model. The role that local action plays in achieving the goals of sustainable development, by moving from the Millennium Development Goals to the Sustainable Development Goals, the importance of local responses to the global problems and challenges targeted by sustainable</p>
	<p>Findings: The study recommended setting a general framework for local governance that defines a clear role for local units in achieving sustainable local development, and developing methods for selecting local leaders, provided that they have experience and academic qualifications, and work to establish information centers in local councils, and the need. Strategic planning, implementation and follow-up to achieve sustainable local development.</p> <p>Research, Practical & Social implications: The findings of this study development and discussing the motivations of local governance to contribute to the changes that achieve inclusive prosperity, identifying the main barriers to local governances, and how to expand Scope and improve conditions for local people and organizations.</p> <p>Originality/Value: A significant contribution to the body of knowledg is achieved through testing the effects of local Governance in achieving sustainable development in economic and political transformations era.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i9.3344</p>

**O EFEITO DA GOVERNAÇÃO LOCAL NA CONSECUÇÃO DO DESENVOLVIMENTO
SUSTENTÁVEL À LUZ DAS TRANSFORMAÇÕES ECONÔMICAS E POLÍTICAS
CONTEMPORÂNEAS (ESTUDO DE CASO: EGITO)**

RESUMO

Objetivo: O objetivo deste estudo foi identificar o perfil da pesquisa acadêmica sobre o aprendizado combinado no mundo e propor uma agenda de pesquisa para o tema.

^A PhD in Public Administration. Assistant Professor. Community College of Qatar. Qatar.

E-mail: kbazeed@hotmail.com Orcid: <https://orcid.org/0009-0005-8073-952X>

Quadro teórico: A governação local é importante para a consecução dos ODS, mas é realista que os intervenientes públicos e privados a nível local da governação assumam o desafio de estimular a ação local para alcançar os ODS, em vez de se apoiarem em organizações internacionais e governos nacionais. Reddy, P. S. (2016).

Design/Methodologia/Abordagem: A pesquisa investiga o impacto do governo local no desenvolvimento sustentável no Egito como um estudo de caso usando um modelo econométrico de séries temporais anuais de 2000 a 2020 para várias variáveis que refletem o desenvolvimento sustentável como variáveis independentes e usando o volume de gastos na governança local como uma variável dependente, usando o modelo ARDL. O papel que a ação local desempenha na realização dos objetivos de desenvolvimento sustentável, passando dos Objetivos de Desenvolvimento do Milênio para os Objetivos de Desenvolvimento Sustentável, a importância das respostas locais aos problemas e desafios globais visados pelos objetivos de desenvolvimento sustentável.

Constatações: O estudo recomendou estabelecer um quadro geral de governança local que defina um papel claro para as unidades locais na obtenção de desenvolvimento local sustentável e no desenvolvimento de métodos para a seleção de líderes locais, desde que tenham experiência e qualificações acadêmicas, e trabalhar para estabelecer centros de informação em conselhos locais, e a necessidade. Planejamento estratégico, execução e acompanhamento para alcançar um desenvolvimento local sustentável.

Investigação, Implicações práticas e Sociais: Os resultados deste estudo desenvolvem e discutem as motivações da governança local para contribuir para as mudanças que alcançam a prosperidade inclusiva, identificando as principais barreiras à governança local, e como expandir o escopo e melhorar as condições para as pessoas e organizações locais.

Originalidade/Valor: Uma contribuição significativa para o corpo de conhecimento é alcançada através do teste dos efeitos da Governança local em alcançar o desenvolvimento sustentável na era das transformações econômicas e políticas.

Palavras-chave: Gestão dos Objetivos de Desenvolvimento Sustentável, Governação Local, Econômico Local, Desenvolvimento, Desenvolvimento Sustentável.

EL EFECTO DE LA GOBERNANZA LOCAL EN EL LOGRO DEL DESARROLLO SOSTENIBLE A LA LUZ DE LAS TRANSFORMACIONES ECONÓMICAS Y POLÍTICAS CONTEMPORÁNEAS (ESTUDIO DE CASO: EGIPTO)

RESUMEN

Objetivo: El objetivo de este estudio fue identificar el perfil de la investigación académica sobre el blended learning en el mundo y proponer una agenda de investigación para el tema.

Marco teórico: La gobernanza local es importante para avanzar en los ODS, pero cuán realista es que los actores públicos y privados en los niveles locales de gobernanza asuman el desafío de estimular la acción local para alcanzar los ODS en lugar de depender de las organizaciones internacionales y los gobiernos nacionales. Reddy, P. S. (2016).

Diseño/Methodología/Enfoque: La investigación investiga el impacto del gobierno local en el desarrollo sostenible en Egipto como un estudio de caso utilizando un modelo econométrico de series de tiempo anuales de 2000 a 2020 para varias variables que reflejan el desarrollo sostenible como variables independientes y utilizando el volumen de gasto en la gobernanza local como variable dependiente, utilizando el modelo ARDL. El papel que desempeña la acción local en el logro de los objetivos del desarrollo sostenible, al pasar de los objetivos de desarrollo del Milenio a los objetivos de desarrollo sostenible, subraya la importancia de las respuestas locales a los problemas y desafíos mundiales que plantea el desarrollo sostenible.

Hallazgos: El estudio recomendó establecer un marco general para la gobernanza local que defina un papel claro para las unidades locales en el logro del desarrollo local sostenible, y desarrollar métodos para seleccionar líderes locales, siempre que tengan experiencia y calificaciones académicas, y trabajar para establecer centros de información en los consejos locales, y la necesidad. Planificación estratégica, ejecución y seguimiento para lograr el desarrollo local sostenible.

Investigación, Implicaciones prácticas y Sociales: Los hallazgos de este estudio desarrollan y discuten las motivaciones de la gobernanza local para contribuir a los cambios que logran la prosperidad inclusiva, identificando las principales barreras a la gobernanza local, y cómo ampliar el alcance y mejorar las condiciones para las personas y organizaciones locales.

Originalidad/Valor: Una contribución significativa al cuerpo de conocimiento se logra a través de la prueba de los efectos de la gobernanza local en el logro del desarrollo sostenible en la era de las transformaciones económicas y políticas.

Palabras clave: Gestión de los Objetivos de Desarrollo Sostenible, Gobernanza Local, Economía Local, Desarrollo, Desarrollo Sostenible.

INTRODUCTION

The challenge of sustainable development makes it imperative to define a framework for governance policies that provide solutions to complex problems affecting the entire quality of life of citizens from an economic, social and environmental point of view. Ndeke, E. N. (2011)

As an expression of this challenge, the implementation of the 2030 Agenda requires multiple levels of governance incentives for cooperation between the various factors, and at different levels and sectors. Pierre, J., & Peters, G.B. (2000).

the world is still facing great challenges in the areas of development, especially with regard to the three dimensions of sustainable development, which are the economic, social and environmental dimensions, especially when we know that there are still more than a billion people living under the poverty line, In addition, the instability of income and the decline in the purchasing power of individuals is increasing. Therefore, achieving sustainable development requires global and national measures and policies to reduce this gap and make more progress in the main developmental areas (economic, social, and environmental), which requires achieving growth and providing job opportunities. While at the same time promoting sustainability. Reddy, P. S. (2016)

Local governance is considered a sub-system in the comprehensive development system, which is based on the participation of members of the local community with local and governance authorities and the private sector in the development process, with the aim of improving various aspects of life at the local level. As a result, the issue of sustainable local development has acquired steadily increasing importance in all scientific and intellectual circles, and has become a subject of controversy, debate and theorization among scholars, researchers and thinkers in a way that the world has not seen before to continuously preserve the planet, protect and sustain the environment, and promote development in an integrated manner. Budds, J. et al. (2013)

Egypt is now witnessing an important phase in its history for the sake of the construction of a future acceptance and a place that deals with its citizens, and the restoration in the issue of local administration and its role in achieving the local economic development. Ndeke, E. N. (2011)

In this framework, it is necessary to include the granting of the local administration and its units broader in the administration of public accompanying and services, and the support of its financial and administrative independence and the development of local resources to perform

the development role in which it is assigned and the achievement of sustainability. Reddy, P. S. (2016)

THEORITICAL FRAMEWORK

The Developmental Role of the Local Governance

Local governances are significant actors in economic development. They are more knowledgeable about the local economy than at any other level of governance, are in close contact with local stakeholders, and can ensure that policies are adapted to local conditions, promote specific benefits and address important bottlenecks. However, few local governances use all the tools at their disposal to support the local economy. More efforts are needed to achieve higher levels of economic growth and welfare in all urban areas. Simon, D., et al. (2016)

The importance of local governances to economic development does not mean that national governances have no role to play. National and local governances play complementary roles. Neither of the two levels can provide effective support to the economy without the contribution of the other. For example, only national governances can embark on large investment projects, such as the construction of an international airport. However, apart from such transformative projects, economic development depends on many small steps, such as training of skilled workers, design of efficient road network within cities, and effective allocation of land to businesses. Many of these tasks are among the core functions of local governances. Sachs, J. D. (2012)

Local Governance has Four Major Development Roles that it Must Play in Order to Grantee Significant and Sustainable Economic Growth

Provide community leadership

The local authority should work with all sections of the community to build a common vision and setting development goals. Once a common vision the objectives are in place, the local authority needs to work alongside the community to achieve the vision and objectives. Local governance can create favorable social conditions for development through:

- Establish and maintain the type of political leadership that would bring together all relevant parties within the jurisdiction of the local authority to achieve the common vision. Chigudu, D. (2023).
- Responsive problem solver as well as engaging in open partnerships with businesses, trade unions and community organizations.

- Not only acquiring knowledge and relevant information but also managing it in a way that promotes continuous learning and makes it immediately accessible to everyone.
- Promoting local democracy by increasing human awareness of human rights issues and promoting acceptance of constitutional values
- Creating and building awareness of environmental issues such as educating the population about the impact of their environmental behavior and educating citizens to benefit from scarce natural resources in a wise and accurate way.
- Investing in youth development as a major resource for the future and motivating them through involvement in civic life and development programs.
- Strive to empower the most marginalized groups in society and find ways for them to participate in society's affairs. Uzuegbunam, A and Nwofia, J. (2014).

Enhance social and economic well-being

The local authority needs to ensure that all its plans, policies, programs and actions will lead to economic and social development and an improvement in the quality of life for all - especially the historically disadvantaged groups. It is therefore necessary to exercise the powers of the local authority in such a manner as to have the maximum impact on the social development of the communities and the growth of the local economy. Sikhakane, B. H. and Reddy, P. S. (2011)

The local authority also needs to work with local businesses to maximize job creation and investment. It is necessary to remember that the local authority is not directly responsible for job creation, its mission is to ensure that the general economic and social conditions in its area are conducive to job creation.

The local authority can help provide support services, such as training, to small businesses or community development organizations. Social development can be enhanced through the provision of recreational and community facilities; arts and culture; and aspects of providing social care services. Stats SA (2015)

The strength of marginalized and disadvantaged groups is a critical contributor to social development as local authorities are also required to provide an accessible environment for people with disabilities, so as to facilitate their independence. Sachs, J. D. (2012)

Coordination and integration of all efforts to develop the region

All available resources - human and material - must be used to achieve the goal of development.

The local governance authority should keep channels of communication open with other areas of governance and build partnerships with civil, private and public organizations. It is crucial that all efforts and contributions work together to achieve the common goal of development. It is important that the local authority provides cooperation between national and regional administrations, parasternal institutions, trade unions and community and private sector institutions committed to local prosperity.

Poor coordination among service providers can seriously undermine development efforts. A way to ensure greater coordination and integration is achieved, through integrated and coordinated delivery within its area. Reddy, P. S. (2016)

The response of local governance to economic and political developments

Local action is also valuable because proximity to concrete problem-solving tends to support a holistic approach to goal achievement. The closer you get to the complexities of real-life problems, the more difficult it is to ignore the interconnections between problems like poverty, unemployment, and crime. Proximity stimulates comprehensive problem-solving, which in turn can deepen social and economic problems. Stats SA (2015).

Analyzing the Problems of Local Governance in Egypt

The problems of local governance in Egypt can be dealt with on three analytical levels. The first of these levels is the overall level related to the local system itself. The second of these levels is related to the organizational aspect and related problems. Finally, the third level revolves around the personnel aspect at the level of local units. In the following, these problems can be presented and analyzed:

The first level: problems at the system level:

This level analyzes the problems associated with the Egyptian local system in terms of its historical, legal and cultural development. The following can explain the most important of these problems:

Historical problems

This aspect answers an important question, which is to what extent has the historical development of the Egyptian local system been reflected in the current local reality with its various problems? And to what extent are the problems of the local system currently associated with the historical accumulations of the local administration system in Egypt. The answer to the previous two questions is very difficult, given that the current problems in the local system are fused in a way that makes it difficult to differentiate between the problems resulting from the historical part and those related to the legal part, and others related to cultural and social aspects and so on. Abdel Aal Hassan, A (2021).

The following can clarify the most important problems of local administration in Egypt, which are inferred from historical and legal considerations:

- Deliberate non-involvement of Egyptian civil service members in policy-making during the British occupation period, in addition to weakening local public opinion organizations in Egypt; This resulted in the stagnation of the experiences of civil servants on the one hand, and their lack of interest in the demands and interests of local citizens on the other hand . Abdel Aal Hassan, A. (2021b),
- Centralized control over the structure of the localities, where the head of the city council was the same as the district commissioner who represented the Ministry of the Interior, and the same was the case at the level of the directorates, i.e. the central security control over the structure of the local administration in Egypt. Bagory, A. (2022)
- Despite the text of Law No. 124 of 1960 AD explicitly including the name of the local administration as a legal work system for the management of local communities, and the emergence of a Ministry independent of the local administration from the Ministry of the Interior in that period, it did not complete the geographical decentralization at all levels, due to the lack of The desire of the governors to grant their powers to the lower levels of the province, in addition to the weakness of the powers of the local councils in that period, and the criterion of loyalty continued to occupy local leadership positions. Sachs, J. D. (2012b)
- The local governance in Egypt has been suffering from accumulated problems related to the duality and duplication of local structures between the structures affiliated to the governorates and the structures affiliated to the sectorial central ministries within the governorates, and the lack of independence of the local units in the affairs of their employees, and the lack of The ability of local units at different local levels to control

local affairs, and the weakness of technical and administrative cadres capable of carrying out technical and economic studies for some local projects, in addition to the lack of consistency between the legal frameworks governing the local administration system on the one hand and the constitutional texts on the other .

- The local governance units suffer, like the rest of the components of the state's administrative apparatus, from the control of the centralized culture, with the consequent disadvantages of the absence of bureaucratic will in Egypt.
- Work in localities was also associated with many other negative aspects, corruption, exclusion, marginalization, conflict of specializations, and other negative concepts and connotations that resulted from local practices and the central legacy. The previous negative culture resulted in many other problems associated with the absence of a real will for reform at the local level, which ultimately weakened the local system as a whole. Bagory, A. (2022b)

Financial entanglement and overlap

- The financial system suffers from excessive centralization, as revenues amount to about 6% of the state's general revenues, and local spending amounts to 17% of total national spending, and a greater percentage than the previous percentage is spent on centrally determined wages, which represents about 82% of total spending. the local. In addition, domestic fiscal revenues, with all their sources, represent only 15% of the fiscal resources needed for domestic spending. Governance remittances are the most important source of domestic financing, amounting to about 70% of total domestic revenue. Bagory, A. (2022c)

- It is clear from Law 43 of 1979 that it supported financial centralization, and the evidence for this is that the central governance is the one that mostly imposes taxes and fees and determines their amounts and rates, in addition to collecting and supervising them. Borrowing from them, and there are restrictions imposed on local units in receiving donations, with the approval of the central governance first, and the current law does not support the independence of local budgets, as the governorates are ignorant of the resources allocated to them within the framework of the general budget annually. Almarafi, B., et al. (2023)

Suggestions for developing local governance in Egypt

A vision can be presented for the development and reform of the local administration in Egypt, by applying the same previous methodology that was followed in the framework of

diagnosing the problems of the local administration system in Egypt, which depends on three levels of development and reform. The second is the organizational proposals necessary to reform the local administration system in Egypt and supportive of the decentralization transition. Finally, the third level relates to the proposals at the level of individuals and supportive of the decentralization transition in Egypt. In the following, these proposals can be explained in detail:

- Activating internal and external control and accountability tools on local units: External accountability tools are embodied in legislative oversight (parliament), in addition to judicial oversight over the work of the local administration, as well as activating the role of administrative oversight agencies over the work of the local administration. As for internal accountability here, it is embodied in activating the roles of local councils in holding executive leaders accountable at the local level, and giving them the right to withdraw confidence from those leaders. Abdel Aal Hassanm A. (2021c),
- Developing the local financial system in Egypt: Implementing financial decentralization in Egypt requires reforming the local financial system by strengthening the financial authorities of the elected local councils on both sides of expenditure and revenues, by: supporting the independence of local councils in setting their spending structure in line with the preferences of local citizens, supporting the capacity of units local authorities from maximizing their local resources through their ability to impose local taxes and fees without reference to the central levels; support the autonomy of local budgets for each of the local levels; Reconsidering the governance financial transfer system based on bridging the gap between local expenditures and revenues, which leads to increased dependence on the central governance without an attempt at self-reliance; The proposed transfers may be financial transfers with a formula that achieves justice, in order to achieve equality between rich and poor local units, by adding elements related to population, area, self-resources...etc. Providing conditional financial transfers to local units with the aim of covering a percentage of the expenses of providing some services with national priorities or services whose benefits exceed the limits of the local unit, and are not limited to the limits of local residents such as educational or health services. Bagory, A. (2022)
- Supporting holistic reforms based on local community participation: There are many modern approaches to local reform based on community participation, such as the

approach to participatory planning at the local level, the approach to local sustainable development, the local economic development strategy, and the concept of local development inclusion.

- The common denominator of the previous reform approaches is the center of community participation as a basis for community development or planning for local development. Community participation processes within the framework of the previous approaches are based on a set of elements that are fairness and inclusiveness of participation, meaning that participation is open to all, participation is credible, It means that participation is devoid of focusing on the narrow and subjective interests of the partners, transparency and openness, and means that the participation process accommodates the various visions, ideas and points of view of local stakeholders, in addition to the institutionalization of participation, meaning the existence of legal and institutional frameworks that are organized and motivating for effective community participation processes at the local level, Finally, the continuity of conviction in the usefulness of community participation . Khater, A.(2005).
- Activating the economic regions as a basic guarantee for an efficient administrative division of the governorates, as it is not conceivable that there is an administrative division of the governorates that affects local development, without the existence of economic regions with real powers, within which the governorates are integrated, in terms of their resources and wealth, which ultimately leads to high rates of development real. The shift to decentralization presupposes the transfer of more powers and authorities to the regions as a broader framework, as well as to the governorates. Khater, A. (2005b).

METHODOLOGY

There are multiple, interconnected and integrated dimensions between them that can be adopted and focused on their treatment in order to make tangible progress in achieving sustainable development, as we distinguish four decisive and interactive dimensions that are dealt with on sub -systems for the sustainable development system where each sub -system consists of partial systems that represent a pillar to ensure an investigation The elements of sustainable development from the environmental, economic, social and technological dimension.

This part of the study investigate the role of the local governance on sustainable development in Egypt, using the methodology of time series for annual data from 2000 to 2020,

the variables used in this estimate based on the standard models used in similar literature reviews are carbon dioxide emissions, population, fresh water in cubic meters per capita, local governance resources as independent variables, while the dependent variable is the economic growth as a major goal of sustainable development goals. Thus, the measurement and definition of each variable and source of data in this study is summarized in Table.1.

$$EG_{it} = \alpha_0 + \beta_1 RCoe_{it} + \beta_2 Pop_{it} + \beta_3 POL_{it} + \beta_4 FW_{it} + \beta_5 LGR_{it} + \mu_{it} \quad (1)$$

Table 1. Variables definition and source

Variable	Description	Sources
<i>EG</i>	Economic growth (dependent)	World Development Indicators (WDI)
<i>Co E</i>	carbon dioxide emissions	World Development Indicators (WDI)
<i>POL</i>	Political stability index	Durable(Polity IV Project)
<i>RE</i>	Renewable energy consumption rate	World Development Indicators (WDI)
<i>LGR</i>	local governance resources	Egyptian ministry of finance annual report

Note: *, **, *** denote the rejection of null hypothesis at 1, 5 and 10% levels of significance respectively

Preliminary Analysis

The preliminary analysis of the quantitative data is the most essential analysis. It is used to measure the features of data among the variables. Table 2 presents the preliminary results of the variables, showing that the average range of measurement for these variables is from 4.352 For GDP to 84089906 for Pop. Furthermore, EG maximum value is 7.156284, while the minimum value of EG is 1.764572.

Table 2. Summary of descriptive statistics

	<i>EG</i>	<i>CO</i>	<i>POP</i>	<i>POLI</i>	<i>RE</i>	<i>LGEX</i>
<i>Mean</i>	4.352144	193382.4	84089906	15.53134	11.92689	5802.857
<i>Median</i>	4.346643	200310.0	82761244	12.26415	11.82975	4239.000
<i>Maximum</i>	7.156284	257710.0	1.02E+08	28.84615	14.81434	21388.00
<i>Minimum</i>	1.764572	114610.0	68831561	6.635071	9.742768	124.0000
<i>Std. Dev.</i>	1.632438	44319.13	10486276	8.096248	1.460213	5625.786
<i>Skewness</i>	0.225741	-0.340262	0.234789	0.448679	0.329937	1.422589
<i>Kurtosis</i>	2.109473	1.915437	1.814503	1.597782	2.180732	4.500750
<i>Jarque-Bera</i>	0.872266	1.434466	1.422668	2.425034	0.968303	9.053880
<i>Probability</i>	0.646532	0.488101	0.490989	0.297448	0.616220	0.010814
<i>Sum</i>	91.39502	4061030.	1.77E+09	326.1581	250.4648	121860.0
<i>Observations</i>	21	21	21	21	21	21

Source: prepared by the author, E.views results

The standard deviations lay in the range of 1.460213 and 10486276 of the data. This highlights that all variables are slightly skewed to the left, meaning that they have longer right tails than for a normal distribution. However, these 21 observations have sufficient distribution because their kurtosis is inferior to a normal distribution. Accordingly, the J-B test strongly

accepts the null hypothesis of normality for the variables. Furthermore, the empirical results of this preliminary analysis indicate a high interrelationship between these variables, meaning that a strong positive association is detected between (see Table 3).

Table 3. Correlation matrix

Correlation						
Probability	EG	CO	POP	POLI	RE	LGEX
EG	1.000000					
COE	-0.058195	1.000000				
	0.8021	-----				
POP	-0.105013	0.971438	1.000000			
	0.6505	0.0000	-----			
POLI	0.693561	-0.483244	-0.562485	1.000000		
	0.0005	0.0265	0.0079	-----		
FW	0.101454	-0.988165	-0.977713	0.559574	1.000000	
	0.6617	0.0000	0.0000	0.0083	-----	
LGEX	-0.039266	0.853675	0.921325	-0.429421	-0.864470	1.000000
	0.8658	0.0000	0.0000	0.0521	0.0000	-----

Source: prepared by the author, E.views results

The Unit Root Test

Begin with the examining the stationary properties of the variables at hand, should apply Augmented dickey-fuller (ADF), to test integration order of the variables (table 4 details the results of unit root tests). The result showed that, economic growth, carbon dioxide emissions, population, fresh water in cubic meters per capita, local governance resources and political stability are non-stationary at level, thus contain a problems of unit root. After first difference, stationary is found for all variables. Thus, showing that all series are integrated at $I(1)$. The core idea of stationary is that the probability distribution does not change over time or, in simple words; stationary depends on the assumption that future and past are the same at least in the probability sense.

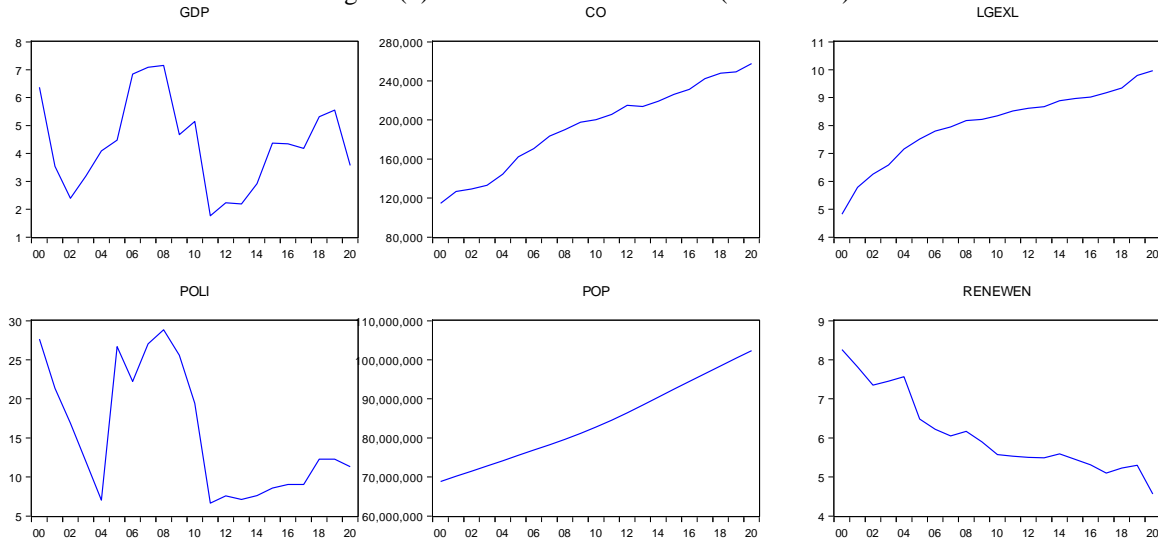
Table 4. Unit root test

Variables	ADF- test	
	level	Difference
<i>EG</i>	-1.1628 N 4	-4.3758 N***4
<i>CoE</i>	1.59303 C 4	-3.9362 C*** 4
<i>Poli</i>	-2.1411 C 4	-4.5040 C*** 4
<i>Fw</i>	-2.3527 C4	-4.13856C ***4
<i>Lgex</i>	-1.42651 C4	-4.60605C***4

Note: (*), (**), and (***) mean that the variable is stationary at 10% , 5% and 1%, respectively. The numbers beside the critical values represent the number of lags, while *t*, *c*, and -after the critical values represent the variant of the series trend and constant, constant, and no constant or trend, respectively.

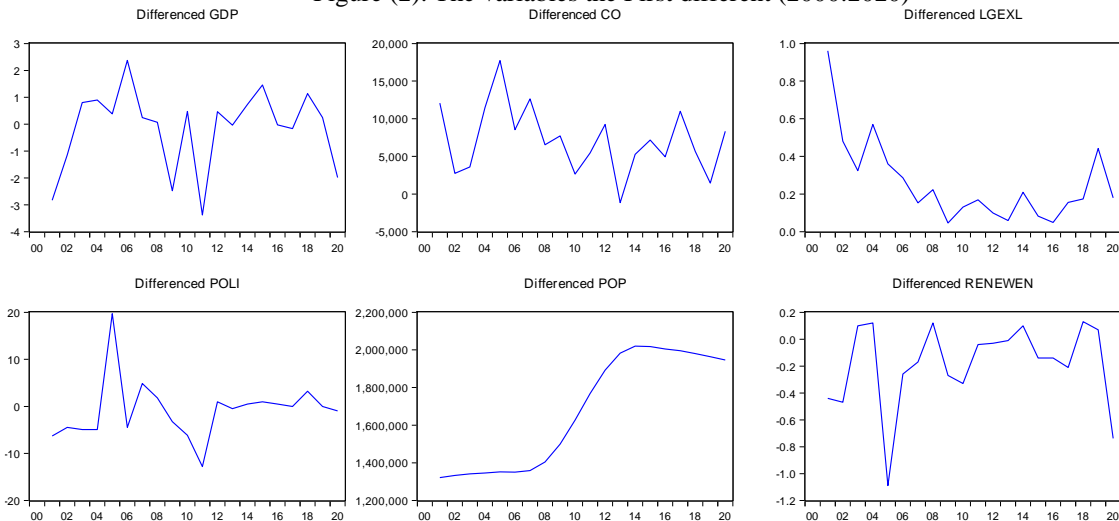
Source: prepared by the author, E.views results

Figure (1). The variables in the level (2000:2020)



Source: prepared by the author, E.views results

Figure (2). The variables the First different (2000:2020)



Source: prepared by the author, E.views results

The Cointegration Tests

Before estimating a long-run model, it must be ensured that there is co-integration between the variables. To test the integration, we use Johansen-Fisher. It is clear from the results of the co-integration tests shown in Table 7. It is clear that both tests (the trace and the maximum eigenvalue test) failed to reject the null hypothesis, which means that there is a co-integration between the variables.

Table 5: Results cointegration test

Hypothesized	Trace test	Prob.	Max-Eigen test	Prob.
$r \leq 0$	0.994439	0.0000	98.64731	0.0000
$r \leq 1$	0.985477	0.0000	80.40834	0.0000
$r \leq 2$	0.882105	0.0000	40.62130	0.0001
$r \leq 3$	0.652508	0.0024	20.08324	0.0223
$r \leq 4$	0.506272	0.0291	13.40965	0.0203
$r \leq 5$	0.015550	0.6467	0.297777	0.6467

Source: Prepared by the researcher using E. Views program

From the results reported in the Table 6, so reject the null hypothesis of no cointegration at 10 % and 1% significance levels thus, emphasizes that the variables exhibit long-run associations.

ARDL Test

The Autoregressive Distributed Lag (ARDL) model is a standard least squares regression that includes lags of both the dependent variable and explanatory variables (Greene, 2008). Recently, this model is the most popular method to analyze the cointegrating relationships between variables through the work of Pesaran and Shin (1998) and Pesaran et al. (2001). It has many advantages compared to other conventional models using the time-series methodology [see Section 5.4.2 (iii)]. In addition, a dynamic relationship must exist among the variables. By employing the ARDL model, the elasticities results are divided into two parts, the first for long-run dynamic elasticities and the second for short-run dynamic elasticities in the next table.

Table 6: ARDL (short- run relationship) test

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
GDP(-1)	-0.947704	0.432604	-2.190697	0.0800
GDP(-2)	-1.025675	0.374627	-2.737855	0.0409
CO	0.000290	8.38E-05	3.458964	0.0181
CO(-1)	-0.000111	7.82E-05	-1.416249	0.2159
CO(-2)	-0.000216	8.90E-05	-2.427167	0.0596
POLI	0.215575	0.058588	3.679481	0.0143
POLI(-1)	0.327622	0.118018	2.776035	0.0391
POLI(-2)	0.125290	0.075825	1.652358	0.1594
RENEWEN	2.602283	0.816939	3.185405	0.0244
RENEWEN(-1)	-0.912967	1.409654	-0.647653	0.5458
RENEWEN(-2)	-1.490819	1.180752	-1.262601	0.2624
LGEX	3.77E-05	0.000188	0.200452	0.8490
LGEX(-1)	-0.000509	0.000322	-1.582920	0.1743
LGEX(-2)	0.001893	0.000675	2.804045	0.0378
R-squared	0.950359	Mean dependent var		4.288935
Adjusted R-squared	0.821292	S.D. dependent var		1.641173
S.E. of regression	0.693788	Akaike info criterion		2.245381
Sum squared resid	2.406706	Schwarz criterion		2.941284
Log likelihood	-7.331122	Hannan-Quinn criter.		2.363156

Durbin-Watson stat	2.657724			
--------------------	----------	--	--	--

Source: Prepared by the researcher using E. Views program

The results of the ARDL (Short-Run Relationship) test show that the model has high explanatory power, which is represented by the R-squared of 95%, where it is clear from the value of the F- statistic that the model is valid for prediction. The Durbin-Watson statistic value of 2.65 indicates that it is not Presence of autocorrelation detected in the sample. So all results validate the prediction model.

The result of the short-run test shows that carbon- dioxide emissions, renewable energy consumption rate and political stability have a short positive significant relationship with economic growth rate. With regard to local governance, there a positive insignificant short-term relationship with the economic growth rate.

The following table shows the results of the long-term relationship between the variables.

Table 7: ARDL (long- run relationship) test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CO	-1.24E-05	4.18E-06	-2.953829	0.0317
POLI	0.224824	0.014145	15.89391	0.0000
RENEWEN	0.066758	0.076310	0.874829	0.4217
LGEX	0.000478	9.29E-05	5.147391	0.0036

EC = GDP - (-0.0000*CO + 0.2248*POLI + 0.0668*RENEWEN + 0.0005*LGEX)

F-Bounds Test Null Hypothesis: No levels relationship

Test Statistic	Value	Signif.	I(0)	I(1)
F-statistic	4.778039	10%	1.9	3.01
k	4	5%	2.26	3.48
		2.5%	2.62	3.9
		1%	3.07	4.44

Asymptotic: n=1000

Source: Prepared by the researcher using E. Views program

The long-term relationship results are shown in the previous table, and the validation of the model is illustrated in the F-Bounds test, where the f-statistical value is greater than the highest value of the 5% probability ($4.77 > 3.48$), so the long-term ARDL test predictive is valid. With regard to the variables, in the long term, carbon- dioxide emissions, political stability and local governance affect the economic growth rate in a positive and significant way, while renewable energy consumption rate is insignificant affect economic growth.

RESULTS AND DISCUSSION

The results of the economic model can be presented in the following points:

Results of the (Short-Run) Model

The model has a high explanatory power of 95%, in addition to the highly significant F statistic, which confirms the validity of the model for prediction, as shown by Durbin-Watson with a statistical value of 2.65, which confirms that there is no high correlation between variables.

- i. With regard to carbon- dioxide emissions, it is clear that the short-run relationship with economic growth is positively significant.
- ii. For political stability, there is a positively significant short-run relationship with the economic growth rate.
- iii. With regard to renewable energy consumption rate, the relationship is positive significant in the short term with economic growth
- iv. For local governance, there is insignificant relationship with economic growth in short run.

Results of (Long-Run) Model

The model has great explanatory power, and this is evident when the f-statistic value is greater than the highest value of 5% probability where ($4.77 > 3.49$), so the long-term ARDL test is a valid prediction.

All the variable have a positive significant effect on economic growth in long run relationship except renewable energy consumption rate is insignificant.

CONCLUSIONS

The study found the following:

- Local governance in Egypt contribute to supporting sustainable development in the long run.
- Supporting community participation at the local level, by applying modern approaches to and implementing sustainable local economic development strategies, as well as applying the approach to local development inclusion.
- The need to support the financial capacities of the localities, by giving the localities real powers in imposing taxes and fees at the local level, for without the transition to financial decentralization, there is no real decentralization in Egypt.
- Work on designing a fair system for central financial transfers in light of the decentralization transition, taking into account the difference between the governorates,

according to geographical area, population rates, unemployment, poverty levels, and different development rates.

- Improving the quality of services provided to local citizens, through developing the technological infrastructure of local administration units, and simplifying procedures.
- Some departments in the local units need special development, due to the association of some evidence of imbalance and local corruption with them, such as the engineering departments in the local units, because of their authority to give licenses, as well as the procurement departments, because of their authority to purchase.
- The need to strike a balance between authority and responsibility in the Egyptian local system, and for the local official not to be a scapegoat for central mistakes, and for clear lines to be established between local responsibility and central responsibility.
- The need to set clear and transparent criteria for selecting local leaders at all levels, starting with the village level and ending with the governorate level, and that promotion processes for leaders from one local level to another take place according to specific rules for evaluating performance, with a recommendation to establish an independent center for evaluating local leaders.

The study recommends the following:

- Work to improve the system of local values, by supporting the values of transparency, participation and accountability at the local level, and the responsibility towards reporting local transgressions and protecting those who disclose them.
- Developing the local media system, by supporting the capabilities of regional channels, in order to develop and strengthen the local citizen's ties of belonging, which are an integral part of national belonging, as the absence of local belonging negatively affects national belonging.
- Establishing local networks and associations at the level of the Republic according to the different local levels, so that a network of village local units, a network of centers, a network of neighborhoods, and a network of governorates are established, and that they meet once a year in order to exchange experiences and solve common local problems.
- No financial differentiation between the local employee (who works in the local units) and the rest of the employees of the ministries and central authorities, in order to enhance the job satisfaction of the workers in the localities.

- Providing local units with new units for managing local crises, working to confront emergency local crises.
- Developing small projects support units and feasibility studies in local units, and providing them with expertise and cadres capable of carrying out these studies, and that small projects be planned in the light of the state's national projects.
- The necessity of integrating the local planning circle with the regional and national planning circles, and for there to be mechanisms and tools for coordination between the local, regional and national levels to implement these plans.
- Thinking of innovative mechanisms to implement the strategic plans of Egyptian cities, and constantly updating them.

REFERENCES

- Abdel Aal Hassan, A. (2021). The role of local administration in achieving local economic development. Sustainable in light of the current political transformations and economic developments. *The Arab Journal of Management*, 11: 41.
- Bagory , A. (2022). Reforming Local Administration In Egypt: A Different Vision In the light of Egypt’s Constitution Of 2014, *Journal of the Faculty of Politics and Economics*, Volume XV - Issue XIV.
- Budds, J. et al. (2013) The Role of Local Government in Local Economic Development. VNG International,” *International Journal of Research in Arts and Social Development*, 5:12
- Khater, A.(2005). *Local Communities Development: Contemporary Directions and Strategies*, Alexandria, Modern University Office. *Local Communities Development: Contemporary Directions and Strategies*, Alexandria, Modern University Office.
- Ndeke, E. N. (2011), A critical review of the development of sustainability indicators for the City of Cape Town: A focus on environmental and socio-economic sustainability’. Stellenbosch: Stellenbosch University.
- Pemberton, H. (2003). Learning, governance and economic policy. *British Journal of Politics and International Relations*, 5, 500-524.
- Chigudu, D. (2023). Sustainable Development through Corporate Governance: The Nuts and Bolts for the Grain Marketing Board in Zimbabwe. *International Journal of Professional Business Review*, 8(5), e01496. <https://doi.org/10.26668/businessreview/2023.v8i5.1496>
- Reddy, P. S. (2016) ‘Localising the sustainable development goals (SDGs): the role of local government in context’. *African Consortium of Public Administration*, 9(2): 1–15.
- Sachs, J. D. (2012) ‘From millennium development goals to sustainable development goals’, *The Lancet*. Elsevier, 379(9832), pp. 2206–2211.

Sikhakane, B. H. and Reddy, P. S. (2011) 'Public accountability at the local government sphere in South Africa', *African Journal of Public Affairs*. African Consortium of Public Administration, 4(1), pp. 85–102

Simon, D., Arfvdsson, H., Anand, G., Bazaz, A., Fenne, G., Foster, K., Jain, G., Hansson, S., Evans, L., and Moodley, N. (2016) 'Developing and testing the Urban Sustainable Development Goal's targets and indicators—a five-city study', *Environment and Urbanization*. SAGE Publications Sage UK: London, England, 28(1), pp. 49–63.

Stats SA (2015) Millenium Development Goals: Country Report 2015..

Sustainable Development Commission (2010). SDC responds to Defra funding decision, 22 July 2010.

Almarafi, B., Khudari, M., & Abdullah, A. (2023). A Critical Review of the Relationship Between Environmental Performance Index, Financial Development and Economic Growth. *International Journal of Professional Business Review*, 8(7), e02675. <https://doi.org/10.26668/businessreview/2023.v8i7.2675>