



Research article

Determinants of cities' financial governance for sustainable urban development in Morocco

—Case of the regions of Casablanca-Settat and Rabat-Sale-Kenitra

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Abstract: This article analyses the tools that can be used to strengthen and promote the financial governance of cities for sustainable urban development in Morocco, through an empirical study of a sample of 163 actors and partners involved in the cities of the regions of Casablanca-Settat and Rabat-Sale-Kenitra. First, a literature review focuses on the main concepts required to understand the problem. The empirical part is based on an exploratory study in which we empirically demonstrate the causality links between the different variables of our research model, through partial least squares structural equation modeling (PLS-SEM). The results reveal that the four determinants for strengthening the financial governance of cities are financial autonomy, consultation and coordination, vision and planning and budget control and monitoring.

Keywords: financial governance; sustainable urban development; cities; Morocco

1. Introduction

Today, the issue of financing local authorities in general, and cities in particular, is at the heart of ongoing debates on change and profound reforms, as well as major concerns in all countries where decentralization is ongoing and aims to give local governments an increasingly dynamic role. As a result, the development of cities' financial resources are a determining factor and a major concern for city managers to meet the population's increased needs and achieve the socio-economic promotion of urban centers. These financial resources can be grouped around three poles: [1]

1. Cities' own resources (or local taxes) from assets, taxation and fees;
2. Transferred resources;
3. External resources (loans, grants, subsidies, donations and legacies) [2].

The financial governance of cities is the legitimate exercise of authority and power in managing the city's financial resources. It is an indispensable tool for development, poverty reduction and economic growth [3]. It should not be treated in isolation from the other components of urbanization that have an impact on the city's finances. In terms of local resource mobilization, budgetary programming and effectiveness and efficiency in the use of local resources, "the success of a public policy must be based on clear and sustainable financing mechanisms" [4].

Sustainable urban development aims to balance urban growth and environmental preservation, as well as economic and societal, urban and regional relationships [5]. It generates an increase in investment requirements to meet the needs of an increasingly demanding population. However, it is limited by budgetary constraints. Thus, it is necessary to analyze the financial governance and the methods of mobilizing the tax potential of cities.

Today, sustainable urban development faces many economic, social and environmental challenges. The report "Our Common Future" shows that the main urban challenge is in the countries of the South, where demographic growth, added to the lack of infrastructure and environmental degradation, further accentuates the problems of vulnerable populations [6].

These challenges are demographic ("rural exodus, aging population"), economic ("unemployment, lack of infrastructure"), environmental ("pollution, massive and irresponsible use of resources and energy"), social ("poverty, precariousness, insecurity, social exclusion and inequality") and governmental [7]. The difficulty lies in the effective implementation of a sustainable urban development approach and the development of a vision, a strategy and an action plan aimed at the objectives of a common agreement [8].

The main objectives of this article are to explain the phenomenon of financial governance of cities from the perspective of sustainable urban development in Morocco and to identify the various factors that aim to promote it.

To conduct this research, after synthesis of the existing literature, we carried out an exploratory quantitative study of 163 actors and partners who intervene at the level of cities in the regions of Casablanca-Settat and Rabat-Sale-Kenitra. We tested the research hypotheses using structural modeling of the variance type according to the PLS (Partial Least Squares) method.

2. Literature review

Cities are very difficult to manage and very demanding in terms of infrastructure, jobs, facilities and public services. Their investment needs are very high, hence the need to have sufficient resources to provide a certain quality of life for their inhabitants and an attractive business environment for companies.

The questions of financing and financial governance of cities are major issues because of the weakness of financial resources, on the one hand, and the necessity to respond to the needs of the city to develop collective projects to adapt to economic transformations and be competitive, on the other. The main challenges facing cities, especially in developing countries, are related not only to the availability of financial resources but also to the different ways of mobilizing, managing and directing them [1].

2.1. *Financial governance of cities in Morocco*

Today, cities are at the heart of sustainable development. As places of social cohesion and economic competitiveness, they provide an effective response to the essential demand for services and facilities for a constantly growing urban population [9]. Therefore, good governance of cities is a key factor in a country's competitiveness, urbanity and socio-economic development [10].

Local taxation in Morocco in particular, and in Africa in general, has many shortcomings, and its income does not sufficiently feed the local budget. This is due to the existence of a less developed institutional framework in favor of cities, a low level of citizen income, low exploitation of some local taxes, inequality in the distribution of resources between central and local governments, political opposition to decentralization, weak autonomy of local governments, weak capacity of local government and lack of citizen and investor confidence in local governments [11].

In these countries, local tax collection remains very complex, mainly because of poverty and low-income levels of the local population, lack of suitable instruments for determining tax potential, low yields of some local taxes, weak local government capacity, poor identification of taxpayers and clientelism and corruption. There is a large gap between the needs of the population and the financial resources available to the cities. It is therefore necessary to adopt approaches to optimize resources with significant leverage effects, especially for capital expenditures [1].

Also, in Morocco and Africa in general, the State determines the basis, the rate and the composition of local taxes. Thus, cities are entirely passive in determining what constitutes the basis of their financial autonomy. Generally, there is no contractual relationship between the state departments and the local governments for which they are supposed to work. Local authorities cannot react to the underperformance of state departments.

To promote sustainable urban development, support urban growth and improve the quality of life of city dwellers, it is necessary to seek effective and innovative financing mechanisms, appropriate financial governance structures and suitable legislative and institutional frameworks. The aim is to promote equitable and environmentally friendly socio-economic development, by making cities more attractive and supporting the creation of businesses and jobs [8].

The financial governance of cities is a set of values, norms, rules and institutions that enable city actors (local public organizations, private sector, etc.) to effectively manage the financial systems and resources of their territory [3]. Today, it is subject to the decisive influence of various exogenous and endogenous factors, which demand a profound change in the local financial management model and its tools. The development of cities' financial resources is therefore a major concern of local decision-makers to meet the increased needs of citizens and promote the socio-economic development of cities. Generally, these financial resources are made up of cities' own or local resources, borrowing resources, financial contributions from the State ("Ministries and Public Companies"), local privatization revenues (asset sales, public-private partnerships, public service concessions) and donations and bequests [1].

Morocco and most African countries have adopted a decentralization model inspired by the French model, which has been successful with relatively more effective mechanisms for financing and financial governance of cities. It aims to consolidate the democratic process through the promotion of local democracy, proximity management and the inclusion of all local actors in the self-management of their affairs, according to the specificities and potentialities of their regions, to achieve common well-being and to realize inclusive and sustainable development. To meet the challenges of socio-

economic development and sustainable development, Morocco must implement a strategy of territorial intelligence to better meet the needs of its citizens [12].

Morocco can be an example for Africa through its constitutional reform and its advanced regionalization policy, which aim to strengthen the financing of the socio-economic development of regions and cities by improving the potential of each region and each city, strengthening the cities' resources, promoting the attractiveness and competitiveness of the cities, implementing large-scale projects and strengthening the mobilization and coordination of local actors. This territorial reform has expanded the powers of local governments, particularly in urban planning and the management of city affairs [1].

In Morocco, the 2015 reports on local taxation by the Regional Courts of Accounts indicate that there is significant urban tax potential, but its exploitation is very weak, both in terms of the tax base and collection. Indeed, economic development and rapid urban growth are not reflected in local tax revenues [13]. According to the situation of revenues and expenditures of local governments in 2019, the resources transferred by the State to local governments, consisting mainly of their share in the product of VAT, represent 64.3% of all local tax revenues, followed by resources managed by state services for the benefit of local governments (19.8%), then by resources managed directly by the municipalities (15.8%) [14]. This reveals that the cities depend heavily on financial support from the state [1]. As a result, local governments must make more efforts to develop their sources of revenue.

Table 1. Evolution of local government resources between 2018 and 2019 in millions of dirhams and %.

Local government resources	2018	2019	Evol.
Transferred resources	15466	16437	6.3%
Resources managed by state services for the benefit of local governments	4576	5071	10.8%
Resources managed directly by the municipalities	4175	4048	-3.0%
Total	24218	25555	5.5%

Source: TGR, 2019

The financial governance of cities in Morocco is characterized by the weakness of local finances and by the importance of financial transfers from the state to cities.

We will explain the variable "financial governance" by the following variables: "financial autonomy" (H1), "consultation and coordination" (H2), "vision and planning" (H3) and "budgetary control and monitoring" (H4).

2.2. *Analysis of the variables of the financial governance of cities*

Good financial governance of cities can only be conceived in a framework where the local economy is strengthened. Therefore, it is essential to establish a good quality infrastructure environment. The determinants of financial governance are "financial autonomy," "consultation and coordination," "vision and planning" and "budgetary control and monitoring."

2.2.1. Financial autonomy

Today, cities provide an effective response to the fundamental demand for services and facilities for an ever-growing urban population. As a result, they have a greater need for financing, which requires a strengthening of local taxation and better management of local resources. Therefore, a good rate of local tax collection, better pricing of public services, a predictable and relevant budget transfer from the state, the implementation of effective tools for the collection of capital gains on land and appropriate governance of these resources are prerequisites for any decision that may lead the city to raise loans on the capital market or to access international aid from global funds or international financial institutions. Thus, to strengthen cities' financial autonomy, it is necessary to better mobilize their own resources (by strengthening local taxation and diversifying tax bases), develop the decision-making capacities and skills of local authorities in defining tax bases and rates and innovate and diversify the sources of financing for cities.

Many empirical studies, research papers and reports have introduced the variable "financial autonomy" and/or its components into their work. It has a significant and positive effect on financial governance, which we can determine through local taxation (H1.1), public-private partnerships (H1.2) and external resources (H1.3) [1,15–22].

2.2.2. Consultation and coordination

Sustainable urban development is a multi-partner and interdisciplinary approach which encourages partnerships and cooperation between all the actors involved in the city, operating in different sectors (transport, water, waste, natural environment, social development, etc.), different environments (associative, entrepreneurial, institutional, administrative, etc.) and different territorial levels (local, regional, national and international) [8].

Today, many actors are involved in the management of the city or have an impact on it, ranging from citizens, private organizations, associations and institutions to state services. As a result, the financial governance of cities aims to facilitate coordination between all these actors and avoid the clashes that can arise as a result of conflicts of interest [23].

Cities must, therefore, in coordination with the administrations and actors concerned, develop operational strategies for conquering and reclaiming taxes to mobilize sufficient financial resources that enable them to carry out their missions [1].

Many empirical studies, research papers and reports have introduced the variable "consultation and coordination" and/or their components in their work. It has a significant and positive effect on financial governance, which we can determine through: concertation (H2.1) and coordination and mobilization of actors (H2.2) [1,18,20,24–30].

2.2.3. Vision and planning

The financial governance of cities is a governance model that aims to develop a culture of planning, financing and evaluation of sustainable urban development projects. It allows cities to develop a global vision, which is then refined into strategic and operational objectives and finally into actions [31].

The strategic vision is a precise representation of the desired future, indicating where the city wishes to be after 10 or 20 years or more, i.e., a long-term planning horizon. It is always at the

beginning of the territorial planning process and helps to ensure effective and transparent management of local financial resources, strategic allocation of financial resources and more effective and efficient performance of public services. In addition, the strategic vision is addressed to all the city's actors and takes into consideration all the challenges of the different sectors of activity. It determines the orientations and objectives to be prioritized among the city's citizens and social and economic actors, provides guidelines to orient the actions of public managers so that they are supportive and sustainable and it proposes a convergent and coherent framework of intervention to achieve the common well-being [32].

In most developing countries, this democratic dimension is very often underestimated or even ignored in debates on national or urban governance. Many empirical studies, research papers and reports have introduced the “vision and planning” variable and/or its components into their work. It has a significant and positive effect on financial governance, which we can determine through vision (H3.1) and planning (H3.2) [1,33–38].

2.2.4. Budgetary control and monitoring

Ensuring effective and efficient management of public finances and effective control of the budget are two key factors in good financial governance of cities, which refers to how authority is applied in managing a city's financial resources for its development [39].

The budgetary control of local budgets is an important procedure aimed at correcting malfunctions that may occur during the budgetary process [40]. Many empirical studies, research papers and reports have introduced the “budgetary control and monitoring” variable and/or its components into their work. It has a significant and positive effect on financial governance, which we can determine through budgetary control (H4.1) and monitoring (H4.2) [1,20,21,35,41–47].

3. Research methodology

The conceptual model adopted for this research is perfectly suited to the structural equation method since it proposes to address the links between the variable “financial governance” and its determinants “financial autonomy,” “consultation and coordination,” “vision and planning” and “budgetary control and monitoring”. Through this work, we answer the following question: What are the determinants that allow the promotion and strengthening of the financial governance of cities, from a sustainable urban development perspective, in Morocco?

3.1. Methodological approach

Data collection was carried out with a sample of 163 local, national and international actors and partners who are involved in the city in Morocco. These data were processed using an exploratory data analysis method: the variance-type structural equation method (the PLS approach).

We opted for the analysis of variances (PLS approach) rather than the analysis of covariance (Covariance based structural equation modeling), commonly called LISREL (LInear Structural RELations), because the aim of the research is more to explore than to confirm the phenomenon, the studied problem is emergent, the conceptual design and measures are not very robust [48], and it is essential to model, differently, the relationships between latent variables and their indicators (formative and reflexive).

Moreover, the criteria regarding the normal distribution of data, independence or size are not required [49].

For the practical implementation of PLS regression analyses, we chose to use the SmartPLS software, due to the ease of use of its interface and the possibility to edit graphs of the estimated models.

We used the stratified random sampling method, which gives the same chances to all units of the population and allows us to generalize the results obtained from the sample.

In our case, the strata, which are heterogeneous groups, correspond to the groups of actors: national actors, international actors, regional and local actors, local authorities, civil society and private companies.

The sampling plan for the survey included three steps:

1. Determination of the sampling frame;
2. Choice of sampling technique: The population is divided into subpopulations or strata, and the stratification variable is chosen to obtain the most homogeneous strata possible;
3. Determining the sample size.

Table 2. Selected sample sizes.

The strata	Total	%	Confidence level	Margin of error	Sample size
Local authorities	285	31%	0.95	0.05	83
Private companies	86	10%	0.95	0.05	28
Associations	171	19%	0.95	0.05	51
National actors (ministerial departments)	12	2%	0.95	0.05	6
Public institutions and companies	253	26%	0.95	0.05	71
Regional and/or local actors	77	8%	0.95	0.05	22
International actors	28	4%	0.95	0.05	10
Total	912	100%	0.95	0.05	271

Our sample is made up of 163 actors and partners involved in the cities in the regions of Casablanca-Settat and Rabat-Sale-Kenitra. It is composed of 45 local authorities, 6 national actors, 31 public institutions and companies, 18 regional and local actors, 7 international actors, 31 associations and 25 private companies.

Table 3. Survey sample.

You are?	Number of observations	Frequency	Response rate
Local authority	45	27.6%	70%
National actor	6	3.6%	100%
Regional and/or local actor	18	11.4%	81%
Association	31	19%	60.78%
Private companies	25	15.4%	54.20%
Public institutions and companies	31	19%	43.66%
International actor	7	4%	89.20%
Total	163	100%	60.14%



Figure 1. Distribution of the sample between the regions of Casablanca-Settat and Rabat-Sale-Kenitra.

3.2. *Background of the empirical study*

Among the 12 regions of the Kingdom, we chose the regions of Rabat-Salé-Kénitra and Casablanca-Settat for several reasons, particularly their demographic and economic weights compared to the other regions. Demographically, the Rabat-Sale-Kenitra and Casablanca-Settat regions have 11,442,605 inhabitants, or 33.8 percent of the Moroccan population [50].

Economically, the regions of Casablanca-Settat and Rabat-Salé-Kénitra create the most wealth and contributed the most to the national GDP in 2014. These two regions alone contributed 48.3% of the national GDP [14].

Despite their economic and demographic potentials, these two regions depend heavily on financial support from the state and have a relatively low level of local taxation, hence the need for a profound review of the financial governance of the cities in these regions, to mobilize more resources and manage them better.

Table 4. Weight of local taxation in the budgets of Casablanca-Settat and Rabat-Sale-Kenitra regions in 2019, in millions of dirhams.

Resources managed directly by the municipalities	Resources managed by state services for the benefit of local governments	Transferred resources
Casablanca-Settat region		
1958 MDH	2924 MDH	3625 MDH
4882 MDH		3625 MDH
57.3%		42.7%
Rabat-Sale-Kenitra region		
1127 MDH	1194 MDH	3281 MDH
2321 MDH		3281 MDH
41.4%		58.6%

3.3. *Operationalization of research variables*

First, we present the operationalization of the dependent variable (Financial governance, “Y”). Then, we operationalize the independent variables: “financial autonomy,” “consultation and coordination,” “vision and planning” and “budgetary control and monitoring.”

Table 5. Selected measures of the dependent variable (Financial governance, “Y”).

Variable	Code	Items	Not at all satisfied/Very satisfied (1–5)
Financial governance (Y)	GF	GF1	The level of financial autonomy of cities
		GF2	The level of consultation and coordination with city actors
		GF3	The level of implication of city actors in the elaboration of the strategic vision
		GF4	The level of effectiveness of budgetary control

After operationalizing the dependent variable (financial governance), we will operationalize the independent variables:

1. Financial autonomy (H1),
2. Consultation and coordination (H2),
3. Vision and planning (H3),
4. Budget control and monitoring (H4).

As previously mentioned, the financial autonomy of cities is measured by local taxation, public-private partnerships and external resources.

Table 6. Selected measures of the independent variable (Local taxation).

Variable	Code	Items	Not at all/Totally (1–5)
Local taxation	FISL	FISL1	The level of exploitation of cities' fiscal potential
		FISL2	The financial resources available to cities are sufficient to meet citizens' needs?
		FISL3	The annual budget allocated to investments is sufficient?
		FISL4	The annual budget allocation for investments is equitable?
		FISL5	Local authorities in Morocco are autonomous in determining the tax base and tax rates of local taxation?

Table 7. Selected measures of the independent variable (Public-private partnerships).

Variable	Code	Items	Not at all/Totally (1–5)
Public-private partnerships	PPP	PPP1	The private sector plays an important role in financing the city in Morocco?
		PPP2	Cities should strengthen the use of public-private partnerships?
		PPP3	Cities should strengthen the delegated management of public services?
		PPP4	Cities should increase local privatization revenues?

Table 8. Selected measures of the independent variable (External resources).

Variable	Code	Items	Not at all/Totally (1–5)
External resources	REX	REX1	Cities' level of access to borrowing is sufficient?
		REX2	Cities need to expand their access to external financing resources?
		REX3	Cities benefit from international financing

Concerning consultation and coordination, they are measured by consultation and coordination.

Table 9. Selected measures of the independent variable (Consultation).

Variable	Code	Items	Not at all satisfied/Very satisfied (1–5)
Consultation	CON	CON1	The level of implication of civil society and associations in the management of the city
		GON2	The level of implication of economic actors in the management of the city
		CON3	The level of implication of regional and local actors in the management of the city
		GON4	The level of implication of ministerial departments in the management of the city
		CON5	The level of implication of public institutions and companies in the management of the city
		GON6	The level of implication of NGOs and international actors in the management of the city
		CON7	The level of dialogue and consultation between private economic actors and public decision-makers concerning the organization of the economic functioning of the city
		GON8	The level of partnerships with other stakeholders in the city and local elected officials to design and develop urban and territorial planning strategies

Table 10. Selected measures of the independent variable (Coordination).

Variable	Code	Items	Not at all/Totally (1–5)
Coordination	COOR	COOR1	The existence of a meeting schedule for coordination
		COOR2	The respect of this schedule
		COOR3	A significant number of annual meetings are scheduled between the local authorities and the city actors
		COOR4	A significant number of annual meetings are held between local authorities and city actors

Concerning vision and planning, they are measured by vision and planning.

Table 11. Selected measures of the independent variable (Vision).

Variable	Code	Items	Not at all/Totally (1–5)
Vision	VIS	VIS1	The presence of a consolidated vision of all the city's expenditures and revenues
		VIS2	The presence of a strategic and concerted vision
		VIS3	The strategic vision takes into consideration the dimensions of sustainable urban development

Table 12. Selected measures of the independent variable (Planning).

Variable	Code	Items	Not at all/Totally (1–5)
Planning	PLAN	PLAN1	The participation of the city's actors in the development of an annual operational action plan
		PLAN2	The objectives achieved correspond to the initial objectives

Table 13. Selected measures of the independent variable (Budget control).

Variable	Code	Items	Not at all/Totally (1–5)
Budget control	CONT	CONT1	The efficiency of local financial control
		CONT2	The efficiency of a priori control
		CONT3	The efficiency of a posteriori control

Table 14. Selected measures of the independent variable (Monitoring).

Variable	Code	Items	Not at all/Totally (1–5)
Monitoring	SUI	SUI1	The existence of budget monitoring indicators
		SUI2	The existence of a periodic management chart
		SUI3	The adequacy of the annual frequency of budget monitoring

Concerning budget control and monitoring, they are measured by budget control and monitoring.

4. Results and discussion

The analysis of the responses of 163 actors and partners involved in the cities in the regions of Casablanca-Settat and Rabat-Sale-Kenitra allowed us to measure and understand the importance of the different explanatory variables retained in the model.

4.1. Statistical analysis

All the items that helped us measure our explanatory variables are summarized in the table below.

Table 15. Summary of the conclusions of the exploratory phase of validation of the measurement scales.

Variables	Item code	Purification of variables			Final scale	
		Number of items	Cronbach's Alpha	Number of items deleted	Items retained	Cronbach's Alpha
Financial governance	GF1	4	0.788	1	GF1	0.810
	GF2				GF2	
	GF3				GF3	
	GF4					
Financial autonomy	Local taxation	5	0.404	3	FISL3	0.720
		FISL2			FISL5	
		FISL3				
		FISL4				
		FISL5				

Continued on next page

Variables		Item code	Purification of variables			Final scale	
			Number of items	Cronbach's Alpha	Number of items deleted	Items retained	Cronbach's Alpha
Financial autonomy	Public-private partnerships	PPP1	4	0.310	1	PPP2	0.682
		PPP2				PPP3	
		PPP3				PPP4	
		PPP4					
	External resources	REX1	3	0.686	1	REX1	0.829
		REX2				REX3	
		REX3					
Consultation and coordination	Consultation	CON1	8	0.608	5		0.810
		CON2				CON1	
		CON3				CON2	
		CON4				CON6	
		CON5					
		CON6					
		CON7					
		CON8					
	Coordination	COOR1	4	0.600	2	COOR1	0.763
		COOR2				COOR2	
		COOR3					
		COOR4					
Vision and planning	Vision	VIS1	3	0.668	1	VIS1	0.682
		VIS2				VIS3	
		VIS3					
	Planning	PLAN1	2	0.728	0	PLAN1	0.728
		PLAN2				PLAN2	
	Budget control and monitoring	CONT1	3	0.704	1	CONT1	0.744
		CONT2				CONT3	
		CONT3					
	Monitoring	SUI1	3	0.667	1	SUI2	0.650
		SUI2				SUI3	
		SUI3					

Through a factorial analysis, we proceeded to a data reduction. The objective was to “reduce the information without losing too much” [51].

4.2. Evaluation of the mediation link

Mediation aims to show that the link between the independent variable X and the dependent

variable Y is significant to ensure the existence of an impact to mediate. The evaluation of the mediation link is given by the path coefficients, which consist of a T-value (which determines whether a specific association is significant or not) and a P-value, defined as the probability of error.

Concerning the acceptance criteria, we can see that the relationship between the dependent variable “GF” and the independent variable “PPP” is not significant, as it does not meet the minimum T-value limit of 1.96 suggested by [52]. On the other hand, the relationships between the dependent variable “GF” and all other independent variables are significant, as shown in the following table.

Table 16. Path coefficient (Direct links).

	Initial sample	Sample mean	Standard deviation (STDEV)	t-value (O/STDEV)	p-value	Significant
GF -> FISL	0.26	0.268	0.057	4.631	0.000	Yes
GF -> PPP	0.046	0.040	0.115	0.397	0.691	No
GF -> REX	0.959	0.960	0.004	246.73	0.000	Yes
GF -> CON	1.000	1.000	0.000	460.15	0.000	Yes
GF -> COOR	0.365	0.372	0.065	5.585	0.000	Yes
GF -> VIS	0.182	0.192	0.049	3.729	0.000	Yes
GF -> PLAN	0.402	0.403	0.071	5.680	0.000	Yes
GF -> CONT	0.957	0.958	0.005	187.52	0.000	Yes
GF -> SUI	0.277	0.284	0.073	3.820	0.000	Yes

4.3. Test of the hypotheses

Table 17. Summary of hypothesis and sub-hypothesis validation.

Hypotheses		Value(t)	Decision
H 1	Financial governance ---> Financial autonomy		
H 1.1	GF -> FISL	4.631	Validated
H 1.2	GF -> PPP	0.397	Rejected
H 1.3	GF -> REX	246.73	Validated
H 2	Financial governance ---> Consultation and coordination		
H 2.1	GF -> CON	460.15	Validated
H 2.2	GF -> COOR	5.585	Validated
H 3	Financial governance ---> Vision and planning		
H 3.1	GF -> VIS	3.729	Validated
H 3.2	GF -> PLAN	5.680	Validated
H 4	Financial governance ---> Budget control and monitoring		
H 4.1	GF -> CONT	187.52	Validated
H 4.2	GF -> SUI	3.820	Validated

The results obtained by this technique show us that the (t) values of all relationships have positive significant coefficients except for one relationship that has a non-significant coefficient (the relationship between financial governance and public-private partnerships).

4.4. *Discussion of the results*

Good financial governance of cities in Morocco makes it possible to move towards advanced regionalization capable of reducing inequalities between regions and achieving equitable sustainable urban development. To promote this, Moroccan cities must develop their financial resources by strengthening local taxation and diversifying tax bases, developing the decision-making capacities and skills of local authorities in terms of defining the tax base and tax rates, pricing public services, ensuring the predictability and relevance of State budget transfers, developing effective tools for collecting capital gains on land and innovating and diversifying sources of funding. Therefore, a significant mobilization of financial resources and an efficient, appropriate and optimal management of these resources are necessary conditions for any decision that could facilitate access to loans and external financing resources. This makes it possible to mobilize significant funds to finance large-scale projects and implement ambitious economic, social and environmental policies.

Cities can double or even triple the level of taxes and expenditures to improve the local economy. However, such an ambition requires the involvement, mobilization and consultation of all the city's actors, operating in different sectors (transport, water, waste, social development, etc.), different environments (associative, institutional, commercial, trade union, etc.) and different territorial levels (local, regional, national and international). The commitment of the various local actors is a very important factor in the mobilization and good management of local financial resources. It requires the establishment of partnerships and cooperation between local managers and the various political, economic and social actors from the public and private sectors, as well as civil society, to develop collective projects to adapt to economic transformations and to guarantee and promote the sustainable well-being of all citizens.

The financial governance of cities requires a consolidated vision of the role of each city actor, the evolution of State transfers (which must be stable and predictable), the main components of local resources and the possibilities of indebtedness. It requires a strategic vision aimed at determining objectives, strengthening the capacities of local authorities in terms of financial engineering, improving the capacities of elected officials and seeking appropriate financing. It also requires a holistic vision that takes into consideration ecological, economic and social dimensions. Lastly, it requires a participatory and inclusive vision (based on active partnerships, effective planning, participatory and decentralized governance and respect for local democracy) through which public policies, local projects and individual projects are perfectly intertwined. These elements are essential to promote sustainable urban development.

To get the whole community to adhere to the implementation of a common ambition, the strategic vision must be inclusive and give hope. The challenge is to include all the actors involved in the management of the city or having an impact on it, from citizens, private organizations, associations and institutions to the state administrations, in the decision-making process relating to sustainable urban development. This development is based on the commitment of all. This is why measures in favor of education, access to information and research must be encouraged to stimulate innovation and improve the awareness and participation of civil society in the implementation of this project. Based on our survey and our exchanges with the various actors in the city, we recommend the creation of a monitoring committee that will ensure that the vision is known and shared, that the strategic vision is integrated into the programming of plans and public policies, that the various actors are energized to promote the implementation of projects and that they regularly evaluate whether the actions envisaged have been carried out properly.

Ensuring effective, transparent and efficient management of public finances and effective control of the budget are two key factors in good financial governance of cities. Local politicians must balance elective and participatory democracy to improve fiscal efficiency: Citizens have more incentive to pay for services that meet their priorities, especially if they have been involved in the decision-making process regarding the allocation of these services.

Thus, the summary of our research concludes that to strengthen the financial governance of cities from a sustainable urban development perspective, it is necessary to strengthen the financial autonomy of cities, develop consultation and coordination with all city actors, have a strategic vision and planning and have effective budgetary control and monitoring.

We have focused on the case of Morocco, as a developing country, because the issues of financing and financial governance of cities are major problems due to, on the one hand, the weakness of financial resources and, on the other hand, the need to respond to the needs of the city to develop collective projects to adapt to economic transformations and the objectives of sustainable urban development.

Among the 12 regions of the Kingdom, we have chosen the regions of Rabat-Salé-Kénitra and Casablanca-Settat for several reasons, including, in particular, their demographic and economic weights compared to the other regions. Despite their potentials, these two regions are heavily dependent on financial support from the State and have relatively low local taxation, hence the need for a thorough review of the financial governance of the cities in these regions in order to mobilize more resources, manage them better and thus achieve the objective of sustainable urban development.

5. Conclusions

Analysis of the financial governance of cities in Morocco reveals a weakness in the financial resources available to local authorities, a very small proportion of which is devoted to socio-economic development programs and projects [1]. In addition to this, there is a significant tax potential that is very poorly exploited [13], along with an inability of local authorities to consume their entire resources, little recourse to borrowing [53], poorly skilled human resources and complex procedures. The State and public companies remain the main actors in the economic and social development of cities.

The results of our research allow us to confirm that to strengthen the financial governance of cities from the perspective of sustainable urban development in Morocco, it is necessary to strengthen the financial autonomy of cities, to develop consultation and coordination with all the city's actors, to have a vision and strategic planning and to have effective budgetary control and monitoring.

While the survey we conducted allowed us to better identify the different variables of our research, it should be noted that the survey is not exhaustive, as the sample chosen is limited, and the regions chosen are not very representative. This pushes us to deepen our research by relying on a sample allowing us to generate more representative results.

Conflict of interest

The author declares no conflicts of interest regarding this study.

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