

The Foundations of Balanced Regional Development Policy: The Case of Tunisia

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Abstract

Tunisian's regional development policy has failed to reduce regional disparities and has been unable to support regions that are lagging behind economically. This has resulted in under-used economic potential and high social unrest. Growing regional disparities and low density of economic activities in the interior regions of the country have raised an important question about the foundations of balanced regional development policy. In this context, understanding the regional development requires a thorough knowledge of regional economic dynamics in terms of geographical distribution of economic activities. Absolute and relative indices used in the literature, measuring the spatial concentration of economic activities present several limits. For the period 1996-2016, we use the Krugman indices to examine geographical distribution of economic activities and to identify regional development process. The results indicate significant sectoral disparities between coastal and interior regions. Thus, this article outlines the role that public authorities can play in order to implement policies that correct spatial inequalities and assist regions that have been less favored by nature and history.

Keywords: Development Policy; Regional Economic Activity; Government Policy; Regional Policy

Jel Classification: O2; R11; R38; R58

1. Introduction

Economic growth tends to polarize economic activities and accentuate spatial inequalities. Thus, economic growth was and remains geographically unequal. The spatial distribution of economic activities influences the growth of territories and the development policy intervenes in the formation of economic spaces.

Modern theories of regional growth highlight the link between the growth rate of the global economy and inequalities in the spatial distribution of activities. A high concentration of economic activities would be likely to boost the whole economy in the form of a higher growth rate. However, since the starting points differ by region, the absolute inter-regional differences would widen even if the disadvantaged regions benefitted from a higher growth rate than would be the case if there were greater dispersion of activities (Baldwin and Okubo, 2006).

A simple analysis of economic geography leads to an obvious observation: economic activities agglomerate in space. Within each country, a large proportion of national wealth is concentrated in central regions. These spatial inequalities are not specific to industrialized countries; polarization is even more marked in many developing countries. Such inequalities in the spatial distribution of economic activities are obviously not random; companies define their location choices according to those of all other economic agents. There is a strong link between all the localization choices that drive business concentration in a given space.

Regional economic policy aims at the correction and, more precisely, the reduction of spatial inequalities resulting from the spatial distribution of economic activities. Public authorities must correct spatial inequalities in order to allow territories that are less favored by nature and history, to catch up with the economy. Many forms of intervention have been envisaged to shape the spatial distribution of economic activities in a sustainable manner. The objective of the organization of industrial activities is, in particular, to make the productive activity as efficient as possible. In general, this occurs when it develops around an approach or a model (Thisse, 2002).

The combination of growth models and the new geographical economy makes it possible to understand local disparities in the location of economic activities (Martin and Ottaviano, 1999, 2002), discern perspectives on balanced regional development and public intervention, and to consider space and leasing economic activities as strategic factors in the behavior of economic agents (Henderson et al., 1995).

Recent studies on location theory and economic geography drawing on new theories of industrial organization and international trade suggest that firms and households do not become location indifferent when transport costs fall. Indeed, this decline causes a decompartmentalization of the markets favorable to the increased competition and leads companies to reconstitute their market power through product differentiation.

Following the studies of Krugman (1991a, b), the new geographical economy offers a concentration-specialization analysis of economic activities in the same theoretical framework. Indeed, the property of the process of concentration of economic activities is that it produces external effects that do not respond to a strong industrial logic. The specialization process is based on an organizational structure of the economic tissue dominated by an industrial activity. This specialization process is characterized by the promotion of activities that are linked by productive, organizational, and market characteristics.

Krugman formalizes the emergence of a structure that he calls “center-periphery”, which is

supposed to represent the duality between agglomerations of production activities and relatively underdeveloped areas. The realization of a balanced configuration is determined by the weight of externalities, transport costs, initial conditions in terms of population distribution, and the links between each of them. If externalities are low and transport costs are relatively high, the Krugman model shows that the industry will split into small neighborhoods. However, if the situation is reversed to significant externalities combined with low transport costs, the region benefiting from favorable initial conditions in terms of industrial population attracts companies because of the advantages of demand proximity, until it captures the entire industry.

Models of geographical economy show that growth lies more in the ability to produce high quality goods and services in a diverse set of industries. Otherwise, functional specialization should be favored over sectoral specialization (Duranton and Puga, 2005). Diversity would promote cross-sectoral externalities and the ability to adapt to economic developments. It would also allow better resistance to negative sectoral shocks. However, a functional strategy is unlikely to materialize in the absence of a critical mass of human resources that are only found in or are likely to be attracted to large metropolitan or urban areas.

Often, the concentration of activities leads to an increase in wages in large urban areas, making the peripheral areas more attractive, especially vis-à-vis the high consumption of soil and low-skilled labor. Secondly, these relocations contribute to the increase in the size of peripheral markets, a phenomenon that is likely to reverse the general agglomeration process. This evolution is amplified by the fall in communication costs, which facilitates the fragmentation of the value chain (Fujita and Thisse, 2006). Such a process is synonymous with the apparent deindustrialization of rich regions.

These spontaneous correction effects may take too long to address the urgency of the economic and social problems of certain regions and the planning horizon of policy makers, thereby causing the latter to look for policies with faster impact. The key question of regional development policy in developing countries is that the speed and extent of the spread of growth will depend on the degree of integration of the economic tissue, transport and communication networks, and population benefits. Growth may not be spreading in certain directions where stopping effects will occur and, as a result, some regions would be deprived of the effort to produce collective wealth. Regional economic policy must correct spatial inequalities arising from the spatial distribution of economic activities. Developing countries have oscillated between promoting domestic investment through capital subsidies and tax aids and promoting foreign direct investment through tax exemptions. Thus, through the provision of fiscal and monetary incentives, governments have sought to influence the spatial distribution of economic activities and to make low-density areas more attractive.

Geographic characterization of economic activities makes it possible to specify regional inequalities. Consequently, it favors the determination of the regional development process and aids understanding of its evolution. Accordingly, indices of economic inequality measures may be constructed for industry, construction, trade, and service sectors.

The ambition to propose a new foundation for development policies based on the recent contributions of the geographical and urban economy is very useful for the economies of developing countries. In Tunisia, wealth inequalities and their growth are the consequence of development policy. It has strengthened the concentration of economic activities in the rich regions of the country, which has had a positive effect on their growth rate. Spatial development is mainly the responsibility of public authorities; thus, it is essential to identify the prerogatives on which economic policy can act upon. This would involve clarifying the foundations of balanced regional development policy. The national level remains the relevant and unavoidable level for influencing the development of territories, even if the other institutional levels also tend to occupy a growing place. It is at the national level that the legal, fiscal, and financial frameworks for economic activity are determined.

2. Tunisian Regional Development Policy

A regional development policy aims at a better distribution of the benefits arising from growth among different spatial units (Kubo, 1995; Puga, 1999). It is a “set of measures that can be carried out by governments to promote the development of any territory, with the aim of limiting disparities and encouraging a distribution of population and economic activities” (OECD, 2001).

Tunisia’s regional development policy has generally experienced two major phases. The first phase, during the 1960s, comprised polar development inspired by the Perroux approach while the second strategy is drawn from the structural adjustment plan, marking the reorientation of the country’s economic policy to a liberal perspective.

At independence, the government adopted an industrialization planning policy where by public investment was to reduce regional disparities by establishing industrial units in some regions. In the agricultural sector, the approach was based on the modernization of agriculture through the cooperative system.

Regional development comprises the analysis and explanation of the inequalities between spaces and recommendation of solutions to modify the dominating relationships between spatial units. Accordingly, relying on its own resources and capacities, the Tunisian state had assumed a fundamental role in the 10-year strategy objectives [1961-1972]. However, the industrial units created within the country in order to fill the industrial gap did not produce the expected results. Weakness of industrialization and physical infrastructure is one of the most highlighted contributing factors (Metral, 2003; Ben Nasr and al., 2015). The failure is more apparent in both agricultural and rural sectors, resulting in the destruction of the rural economy and the impoverishment of peasants.

Technopoles are a part of the recent development of the regional development policy. Thus, Tunisian authorities have created technological poles in some of the country’s governorates.

The strategy initiated is to decentralize the economy, a condition considered necessary to reinforce private investment initiatives and resume growth. Disengagement of the state from activities where private initiatives exist creates a framework conducive to the private sector. The government has made privatization one of the axes of private sector development and an

important instrument for strengthening the efficiency of the economy and rehabilitating market mechanisms. In addition, privatization appears to be a response to various economic pressures: shrinking state resources, external debt, and budget deficits.

Therefore, the macroeconomic reform measures intervene to change the sectoral allocation of factors in order to focus investment efforts on developmental sectors, which allow better sectoral integration and ensure optimal reallocation of resources for the benefit of the sector.

Reform measures have helped to stabilize the economy and prevent further imbalances in public finances and external payments. At the global level, this performance was accompanied by a worsening of regional disparities. Immediately, the Tunisian economy has become a dualistic economy with an industrial vacuum in the interior regions contrasting against high density on the coast.

The main objective of the various development plans is to achieve redeployment or spatial rebalancing for regions with low density of economic activities. Indeed, the contrast in terms of the spatial distribution of economic activities between Tunis and the other regions has undoubtedly given way to a coastline with a high concentration of industrial activities against inland regions with very little economic activity.

Regional policies are often rethought in accordance with their impact on territorial disparities. Inland regions with strong agricultural and mining potential have very low levels of development. While the small size of the Tunisian territory should favor regional development, the capital and the coast remain pre-eminent.

In the Tunisian context, many cities have been developed with industrial zones, science, or technology parks, designed to support cutting-edge activities that drive the development of the regions concerned. In the long run, these cities are found to shelter only traditional activities or even large commercial areas or simple warehouses.

The policies pursued in countries wishing to control spatial inequalities have aimed for a more balanced distribution of economic activities within the national territory. First, this has been done by directly influencing the location decisions of administrations and certain enterprises. Second, territorial cohesion and spatial planning policies have also favored transport infrastructure and the classical instruments of financial and fiscal incentives for locating activities in regions with lagging development.

These policies have not always had the expected effects. Indeed, the injection of external resources can be counterproductive when they concern an economic fabric whose endogenous dynamics are insufficient, insofar as they can be perceived as a public rent. In addition, as soon as certain urban centers benefit from significant agglomeration economies, public policies aiming at the convergence of territories through the regional transport infrastructure implementation channel can produce effects that are opposite to those expected and reinforce the gaps instead of mitigating them (Puga, 2002). Infrastructure policies can help develop the most backward regions if they are concentrated within them.

Since the 2011 revolution, Tunisia has been experiencing a deep economic and social crisis largely favored by neoliberal financial and economic policies. The state is bogged down by external debt and is sinking under the weight of social problems: regional disparities, increased unemployment rates in interior regions, and amplification of illegal emigration. Development policy is a source of spatial inequality; this is why the study of regional development and regional policy in the country is at the center of concern. Differences in economic performance between different interior regions are confirmed over time, which raises questions on the regional development policy and the need to implement a new developmental model.

3. Measures of the Geography of Economic Activities

Economic policy aims to reduce spatial inequalities resulting from the spatial distribution of economic activities. The main issue is that the speed and the extent of the spread of growth will depend on the degree of integration of the economic fabric, transport and communication networks, and many other factors: sectoral coherence, entrepreneurial dynamism, legal framework, economic density, etc. (Caragliu & Nijkamp, 2016). The growth may not spread in some directions where stoppage effects occur; consequently, some regions will be deprived of the collective wealth production effort (Esfahani & Teresa Ramírez, 2003; Borowiecki, 2014).

3.1 Statistical Data

The main variable used in this study is the number of firm's issues of the database of the national survey on the economic activities of the national institute of statistics of Tunisia. It is the only source of information available on the number of firms in Tunisia. Table 1-2, presents the data.

The analysis is conducted across the sub-regional, at governorates level. The governorate is a geographical unit of division of the territory for which labor force data are available in Tunisia. The numbers of governorates have increased from 14 in 1956 to 24 in 2016. They include the major urban areas.

Table 1. Distribution of firms by spatial unit

Spatial unit	% of firms in 1996	% of firms in 2016
Tunis	19.40	18.64
Ariana	5.31	7.16
Ben Arous	4.99	6.42
Manouba	3.52	3.66
Nabeul	5.89	7.56
Zaghouan	1.07	1.20
Bizerte	4.90	4.72
Beja	2.57	2.35
Jendouba	3.19	2.48
Kef	2.38	1.59
Siliana	1.60	1.30

Sousse	5.26	7.21
Monastir	4.82	5.01
Mahdia	4.06	3.18
Sfax	9.71	9.26
Kairouan	3.84	3.41
Kasserine	2.44	2.07
Sidi Bouzid	2.25	2.08
Gabes	3.25	2.44
Medenine	4.20	3.63
Tataouine	0.96	0.98
Gafsa	2.42	1.69
Tozeur	0.82	0.81
Kebeli	1.14	1.17

Table 2. Definition of sectors and activities

Sectors	Abbreviation	% of firms in 1996	% of firms in 2016	
Industry	IND	13.59	11.50	
Service	SVC	27.52	36.52	
Construction	const	4.79	5.38	
Trade	TRD	49.79	42.14	
Other activities	-	4.31	4.46	
	Manufacture of rubber and plastic products and other non-metallic mineral products	FPCP	0.77	0.66
	Food and beverage industries	IAB	2.45	1.69
	Textile, Apparel, Leather, and Footwear Industries	ITHCC	3.97	2.48
Industrial sector activities	Metallurgy and manufacture of metal products, except machinery and equipment	MFPM	1.55	1.50
	Wood working and manufacture of wooden and cork products, except furniture; Manufacture of articles made of straw and plaiting	TBFM	2.94	2.06

	materials			
	Activities of administrative and support services	ASAS	0.91	2.10
Service sector activities	Specialized activities, scientific and technical	ASST	2.89	5.28
	Financial and insurance activities	AFA	0.32	0.24
	Accommodation and restaurants	HR	4.10	4.26
	Transport and storage	TE	12.40	13.73

The geographical evolution of the distribution of firms reveals that the disparity is very important. The economic structure of Tunisia is characterized by a strong geographical inertia. Despite decentralization trends seen in recent years, urban areas dominate the economic landscape.

Urban areas share many features that keep them attractive, as the benefits of location to the nearby airport and ports, the proximity of markets of intermediate goods and the final market, or even a good level of accessibility for a workforce in quantity and quality. Large urban areas stand out clearly and respectively in Tunisia, Sfax, and Sousse. We see then that the governorates of the coastal zone have a number of firms that is higher than those of the interior country over the period 1996-2016. This is due to the strong polarisation of economic activities in urban areas compared to non-urban territory.

3.2 Regional Disparity of Economic Activities

Regional disparities are captured in terms of the spatial distribution of economic activities. Indeed, an economic activities density index, location quotient, concentration and specialization indices of Herfindahl, Gini location coefficient, and the Krugman indices are constructed through the number of firms and employment for the period 1996-2016.

In order to better detect geographic concentration or deconcentration processes, all indices are recalculated for the branches of industry and services. We have retained the economic activities density and Krugman indices. The location quotient, indices of concentration and specialization by sector and by branch of activity of Herfindahl, and the Gini location coefficient are calculated and made available to readers.

The density index is given by the following expression: $Den_{gst} = \frac{E_{gt}}{area_g}$

where $area$ is the area of the spatial unit in km^2 and E_{gt} is the number of firms.

The Krugman index of regional specialization is given by the following expression:

$$I_g = \left| \mu_g^s - \mu^s \right|$$

The Krugman index of geographic concentration is given by the following

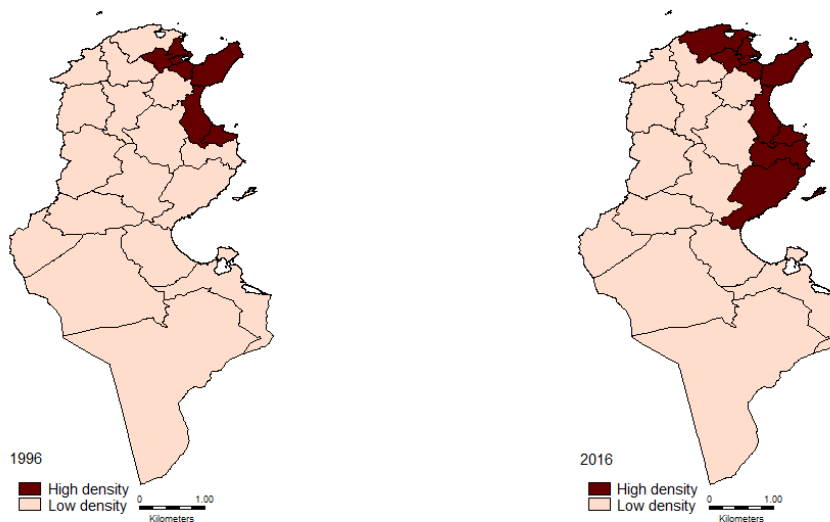
$$\text{expression: } I^s = \left| \lambda_g^s - \lambda^s \right|$$

Where s is the sector, g is the spatial unit, μ_g^s is the share of sector s in the number of firms in spatial unit g , μ^s is the share of the spatial unit g in the number of firms in sector s , λ_g^s is the share of the spatial unit g in the number of firms in sector s , and λ^s is the share of sector s in the number of firms.

The number of firms located in a territory generates two forces: a centripetal force that leads firms to prefer concentration and a dispersion force to favor low density spaces (Ellison and Glaeser, 1999; Rosenthal, 2001). Both the economic activities density index and the location quotient provide an idea of the spatial distribution of economic activities.

Specifically, the density of economic activities index confirms the unequal distribution of economic activities. The economic density is very high in greater Tunis, Cap-Bon, and the governorates of Sousse and Monastir. Meanwhile, the inland governorates in the north-west, center-west, and south of the country have very low densities.

Map 1. Economic density index



Source: personal computation

It is apparent that the industry is over-represented in coastal governorates. The construction and trade sectors are overrepresented in the center-west and south and the services sector is overrepresented mainly in the north of the country. It seems that the path of the

over-representativeness of all sectors is consolidated in the governorates that are heavily concentrated in economic activities.

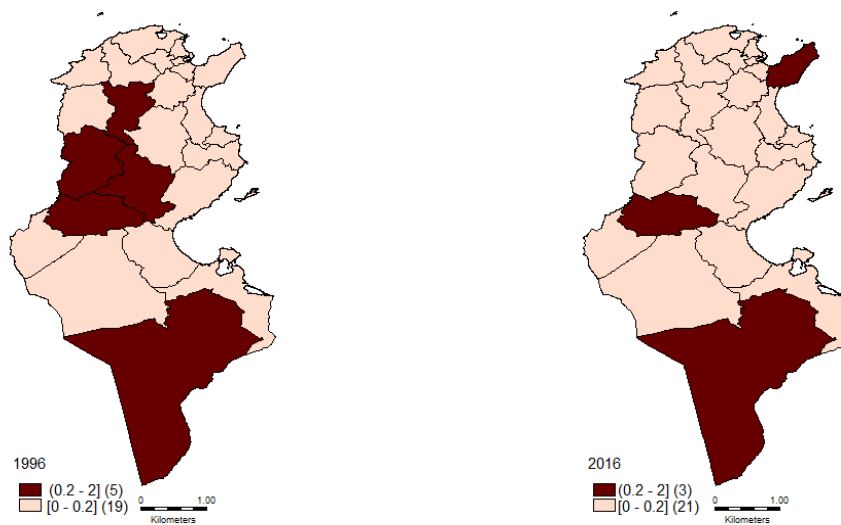
The inland governorates do not have mobilizing activities to generate regional development. In fact, the productive system of all governorates in the interior of the country is dependent on the vagaries of climate, accentuated by the informal and occasional work and attenuated by weak infrastructure.

An analysis of regional specialization accounts for the geography of economic activities. The specialization index can characterize the specificity of a spatial unit in relation to other spatial units.

The east central region remained specialized in the textile and clothing industry. Indeed, post independence, the government opted for the establishment of textile production units in the Sahel region, which represents the first main industrial point. With the implementation of structural adjustment plans, the tendency towards specialization becomes noteworthy in Sahel of Sousse and in the Greater Tunis area.

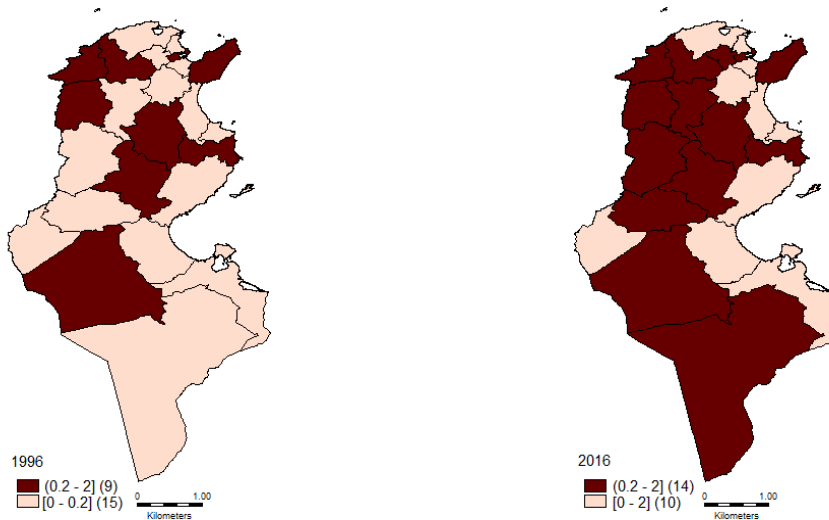
As shown in maps 2-4, all specialization indices confirm the consolidation of sectoral specialization in the littoral. Simultaneously, the governorates bordering large urban areas have benefited from industrial decentralization.

Map 2. Specialization index



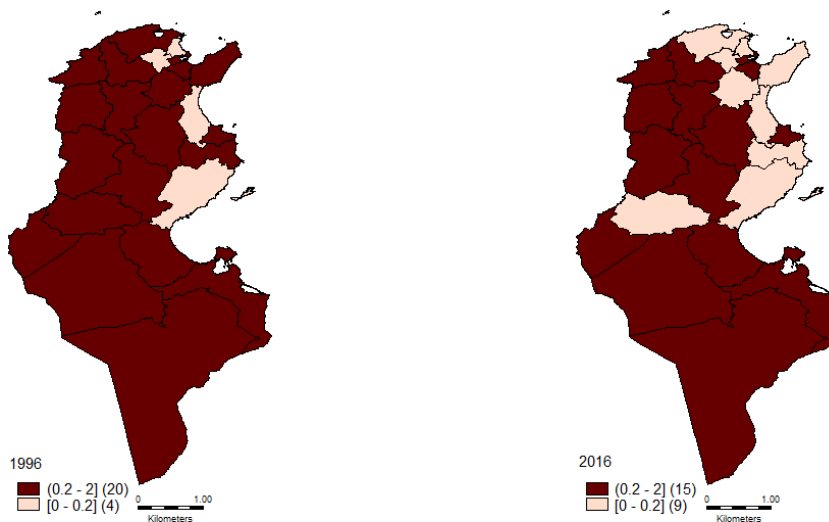
Source: personal computation

Map 3. Specialization index-service sector



Source: personal computation

Map 4. Specialization index-industrial sector



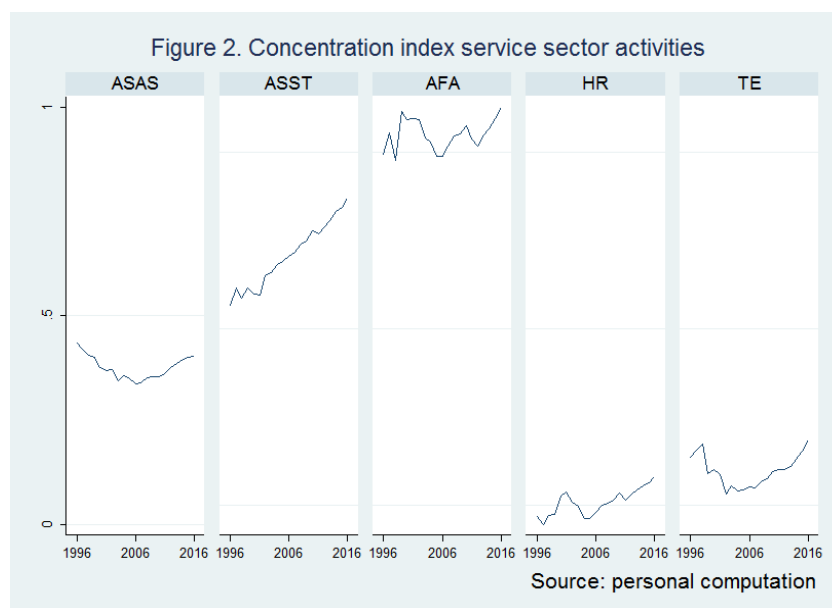
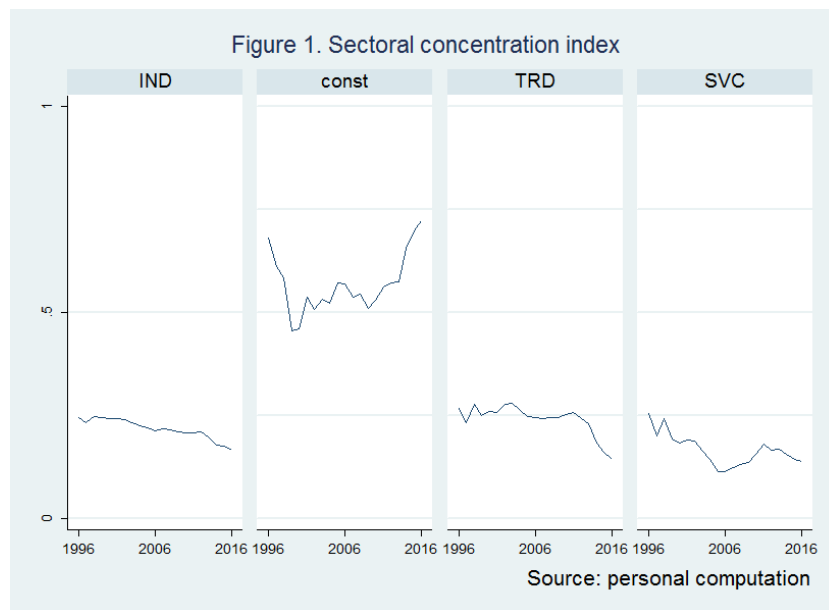
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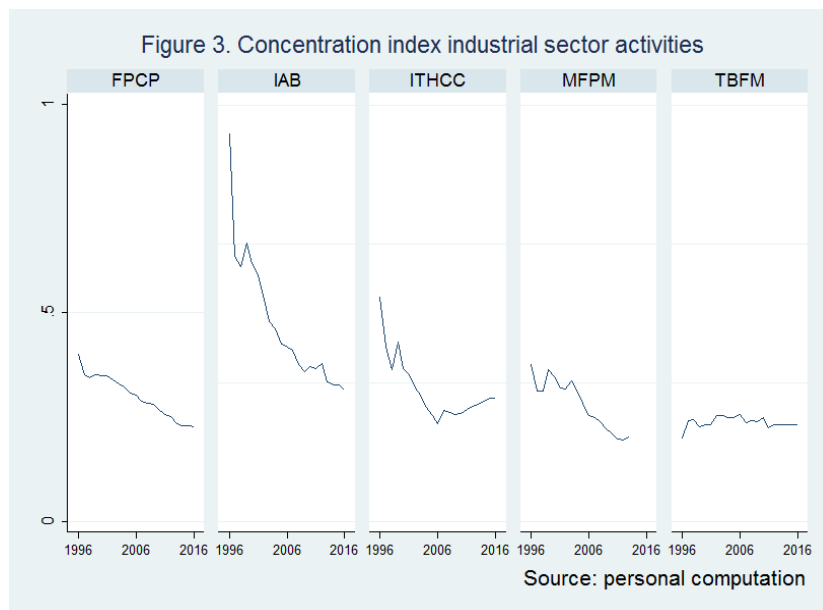
The regions of the north-west and south-west are increasingly specialized in the service sector. Moreover, industrial specialization is confirmed mainly in the northwest region and the south of the country. Regions with a low density of economic activities are experiencing a change in the productive apparatus, from a predominance of agricultural activities to the industrial and service sector.

Territorial specialization is often considered to be a favorable factor for growth. The existence of this relationship is the subject of much debate. It is now recognized that the level of specialization of a country or region is not a favorable or negative factor in itself. Certainly, the territories that are more specialized in products with dynamic international demand are experiencing higher growth, but the counterpart to this trivial truth is that more

specialized territories in declining sectors are often losers. There is, therefore, no systematic link between specialization and growth.

The concentration indices confirm the decline of the sectoral concentration of industry, trade, and service sectors and the rise of sectoral concentration of construction. The concentration index calculated by branches of activities for the service and industrial sectors shows that activities of administrative and support services have increased and that the decline in industrial concentration stems mainly from the manufacture of rubber and plastic products and other non-metallic mineral products, food and beverage industries, and textile, apparel, leather, and footwear industries.





Tunisia's regional development policy has not produced expected results. Indeed, the trend of geographical concentration of economic activities and administrative service has aggravated regional imbalances.

Large urban areas, mainly coastal governorates, have a high concentration of economic activities and administrative service. For example, Greater Tunis represents the nucleus of the national productive system and monopolizes the majority of financial activities. The Sahel of Sousse is an area of high density of tourism and the manufacturing industry.

The governorate that directly borders high density area has generally experienced a slight change resulting from the redeployment of certain activities and new locations of industrial activities. This tendency of deconcentration is often explained by the high level of wages and the ability of firms to split the technical and organizational production process in different areas (Dlala, 1999; Ota and Fujita, 1993).

The low density of economic activities in the interior regions, dependence of the productive system on climatic vagaries, and, mainly, the weakness of public infrastructure show that spatial measures aimed at rebalancing all development plans have been unable to alleviate the regional disparity.

Since our country's independence, the regional development pattern has followed the same path. The geographical distribution of economic sectors has not undergone substantial changes; the primary sector remains predominant in interior regions while the secondary and tertiary sectors prevail in coastal governorates.

4. Strategy of Balanced Regional Development

The presumption of growth policies of the developing countries is to create a suitable environment for the promotion of private investment. A regional development policy aims at creating a better distribution of the benefits of growth across different regions and to limit disparities between them. It seeks to consolidate economic development by eliminating

certain social costs linked to non-intervention, such as the costs of not investing in regions that offer sufficient territorial capital and the project profitability that other regions can offer.

Public authorities must play an active role in enabling the least developed regions to alleviate their economic backwardness. It is, therefore, essential to implement a new developmental strategy allowing balanced regional development. Public authorities must significantly consider the spatial distribution of activities in order to improve general welfare that market forces alone can not achieve (Storper, 1995; Jayet and al., 1996; Scott, 2003).

The instruments in the field of territorial economic action available to the authorities to promote economic development are numerous and varied. There are four categories of instruments:

- Neutral institutions territorially and territorialized application
- Neutral institutions territorially and spatially applied
- Transport and communications infrastructure
- Instruments targeted territorially

Existing economic studies do not provide a general conclusion about the positive or negative economic effects of most of the instruments that are targeted territorially and used by development policies. The main issue is the choice of the most appropriate instruments of action.

4.1 Spatial Planning Policy: A Spatial Re-Balancing Factor

Infrastructure refers to the physical capital that enables the economy to run and the urban and rural essential services to be produced and distributed. It plays two main roles in the economy. On the one hand, it provides services necessary for the conduct of productive activity and on the other hand, it generates positive external effects.

The activity areas remains decisive in the determination of externalities, since the exploitation of external economies by firms is often conditioned by their spatial proximity giving rise to the relational processes that are able to boost productivity and consequently, promote the expansion of firms. Thus, the externalities that are pecuniary or knowledge-based have spatial dimensions; capturing such externalities are subject to localization constraints and, in turn, will affect the spatial distribution of activities (Baldwin, 1999).

Choice of location is governed by several factors; therefore, it can be a matter of compromise and options. Firms are naturally sensitive to the characteristics of the places of activity. Every country and every region has factor endowments that positively or negatively affect the productivity and profitability of local businesses. Indeed, the presence of mineral resources or any other relative advantage, play an important role in location selection, especially for firms that intensively use these factors of production. However, they cannot constitute the bulk of the factors that explain the location decision. The importance of the spatial concentrations of

firms implies that firms define their location choices according to other agents and public infrastructure.

Public infrastructure requires appropriate public intervention in terms of financing and control. According to Jayet and Thisse (1996), managing a territory implies, “to establish a reasonable balance between considerations of equity, in terms of the geographic distribution of activities, and their costs, in terms of overall growth, when there is a conflict between the spatial distribution of fruits of growth and its rate of evolution.”

Land-use planning policies should support spatial concentration of economic activities to contribute to growth. The explanation lies in the emergence of close links between actors, which in turn would favor the emergence of positive externalities (Martin and Rogers, 1995).

Spatial planning policy has oscillated between two perspectives: a voluntarist option versus an accompanying strategy to support the behavior of economic actors. The voluntarist option tries to directly influence the choice of major firms’ location. In contrast, the accompanying strategy, there is no question of intervening on the choices of the agents because that would risk compromising the effectiveness of market mechanisms.

The basis of both policies is the rejection of the market as a unique mode of organizing economic activities because market forces lead to uneven distribution of activities. Being passive with regard to the metropolization process could contribute to the exclusion of entire regions from the production effort of collective wealth and induce considerable economic and social costs (Caldeira & Rota-Graziosi, 2015). Thus, to allow territorial economic densification, public authorities should provide and modernize transport and communication infrastructure (Cidell, 2015).

4.2 The Positive Differentiation Strategy: A Factor of Regional Development

Lessons from the theory of endogenous growth and geographical economy lead to a questioning of the traditional patterns of state intervention. Indeed, it is neither preferable to try to over-force the spontaneous market mechanisms, nor to oppose the tendency to agglomerate activities and populations by policies that are too restrictive of the growth of the main cities (Baldwin, 1999; Glaeser & Gottlieb, 2008). However, this conclusion must not lead to political passivity or spatial neutrality. The economic development policies of the territories can enable leveraging of their assets, even if they are modest, and to enrich their productive base.

Active policies consist of implementing for each territory a positive differentiation strategy and necessary support for national growth policies. In contrast to a uniform application of national policies to all territories, these strategies comprise building on the best strengths of each territory and prioritizing the response to their main economic failings.

A positive differentiation strategy reflects all the behaviors, forms, and public institutions that contribute to the incarnation of positive discrimination. Through preferential measures, it aims to specifically absorb the social tensions of a certain category of the population, in order to compensate for an unequal situation.

Recently, with the renewed debate on the role of regional development policy in developing countries, positive discrimination is seen as public policies that provide preferential benefits for social classes or spatial units, and more generally enable them to catch up in terms of their lagging development (Borrillo, 2003; L'Horty, 2015).

Positive discrimination is sustained by unequal and temporary policies. The principle is to give more to those who have less in terms of concrete benefits. Since the constitutionalization of positive discrimination in 2013, the Tunisian authorities have multiplied preferential measures in favor of inland regions, which have very low levels of development.

The positive discrimination actions in Tunisia often consist of granting hiring quotas and additional investment budgets to interior regions within the country. However, it appears that these measures do not solve the problem of development inequality. Their effects are limited to absorbing social tension.

Positive discrimination must explicitly integrate the geographical dimension by aiming at the reduction of spatial inequalities of all kinds. It is important to develop active policies for each territory. Therefore, it is neither preferable to force the spontaneous market mechanisms, nor to oppose the tendency of activity agglomeration.

Public policies must be limited to accompanying market forces by developing actions that directly influence firms' location decisions. At the same time, positive discrimination must provide a preferential advantage and avoid the risk of reinforcing rather than mitigating spatial gaps, as associated with public policies aimed at improving economic performance by influencing the geography of economic activities.

4.3 The Research Infrastructure: An Ambition of Regional Qualification

Developing countries have a great weakness in national science systems. Among the explanations for this weak technology is the weakness of private and public research efforts, insufficient technological performance, and so on. The technological backwardness in developing countries can also be explained by the lack of resources allocated to research and innovation and the organizational weaknesses of research and innovation. It is becoming increasingly legitimate to provide investment incentives and to establish a regulatory, legal and financial framework to promote public research and increase the effect of training.

The research infrastructure that is the source of economic activity can indeed become a local actor of central development. The regional economic impacts of research infrastructure are direct and indirect (Cooke & Leydesdorff, 2006; Boumont & Guillain, 2013).

Krugman (1991a, b) has proposed a theorization of regional development around the concept of externalities. Indeed, the process of economic agglomeration is created both through technological and pecuniary externalities, which are often interlinked. Proximity promotes the mobility of the workforce, the transmission of information, the sharing of know-how, the exchange of technological knowledge, etc. In this respect, it is legitimate to consider externalities as a factor of accumulation and agglomeration.

Knowledge has the particularity of being resources related mainly to human capital. However, human capital is largely fluid and mobile, and seeks to concentrate to benefit from positive externalities. Territorial competition no longer rests solely on natural endowments, but on the ability of territories to attract and retain this human capital. In addition, the ability to assimilate information and technical resources produced by national science systems depends on previous skills and capacities. Internalization of external effects requires the formation of internal and external learning efforts that depend in particular on the level of education, vocational training and the specific capabilities of the companies.

In Tunisia, knowledge infrastructure mainly includes technopoles, universities and some research organizations. Geographically, the territorial network of knowledge infrastructure reveals that it is mainly concentrated in large cities.

Technopoles are essential elements of regional development policies. Indeed, the technopolitan policy is expressly part of the search for structural adjustment that profoundly modifies the regional industrial fabric, either by modernizing traditional industries or by substituting new activities in progress of disappearance.

The origin of the technopoles is largely explained by the attitude of the public authorities to promote decentralization and revalorization of local development. Technopoles are part of the recent evolution of regional policies. In some aspects, they reflect the way in which most States conceive their regional development, specifically centered on new knowledge and the best know-how.

Usually, the creation of technopoles occurs as the establishing of a new industrial space and is considered a lever of regional development. The main idea is that science and technology can be a good basis for regional development and, therefore, a real training function for the local economy (Benko, 2000). Thus, the question that arises in developing countries is whether these technopoles are likely to trigger regional development and to eradicate disparities in the distribution of economic activities.

In particular, technopoles are created to enhance innovation potential. However, the effects of technopoles may take a longer time compared to the urgency of the economic and social problems of certain regions. Therefore, it will be necessary to ensure that the technopoles are not simply a juxtaposition of companies and laboratories. It will have to rely on cooperative relations and an atmosphere that is conducive to innovation (Rallet, 1991; Ravix and Torre, 1991).

Territorial qualification seeks more productivity and efficiency by investing in activities with high technological content. The main difficulties facing poorly developing regions are precisely that they suffer from various constraints that prevent or, at least, hamper their ability to internalize such transfers. Indeed, either they are characterized by large industrial units whose research and development facilities are located elsewhere, e.g., close to head offices and, consequently, in central regions, or the local fabric of the companies suffer from a general lack of ability to receive such transfers usefully. Technology parks are thus participating in strategies to remove such bottlenecks by attracting new people and skills.

5. Conclusion

The economic environment, and more particularly the direct impact on the conditions of private investment, seems to play an important role in the spatial distribution of economic activities and consequently in the development of spatial units. The decision to locate in a place has many justifications, beyond mere cost considerations. The social capital of a region is a central element of the business environment and their competitiveness. Cultural diversity, the openness of regions to the external world, and their ability to develop an entrepreneurial and creative class are major drivers of territorial development.

Economic growth results, in part, from the geographical distribution of economic activities. The two facts characterizing the geographical distribution of economic activities in Tunisia are, on the one hand, the unequal geographical distribution of economic activities and, on the other hand, their unequal sectoral distribution.

Regional economic policy aims to correct and, in particular, to reduce, social and regional imbalances. Tunisia's regional policy has oscillated between the promotion of domestic investment through capital subsidies and tax incentives and the promotion of foreign direct investment through tax exemptions. Thus, by granting fiscal and monetary incentives, the public authorities have sought to influence the spatial distribution of economic activities and to make low-density areas more attractive. Regional development policy therefore aims to limit disparities and ensure a better distribution of the fruits of growth between different regions.

Economic activities are unevenly distributed across territories; hence, economic growth becomes geographically unequal. Despite the multiplicity of development plans, the Tunisian space-industrial landscape remains almost unchanged. Economic activities are more concentrated on the coast. The spatial rebalancing measures initiated in all development plans have not helped to mitigate the disparity in economic activities.

Local public policies must correct spatial inequalities in order to enable territories that are less favored by nature and history, to catch up in terms of their economic development (Isaksen, 2015). Moreover, public policies must directly consider the spatial distribution of activities.

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