

Technology Transfer and FDI: Some Lessons for Tunisia

Authors : Assaad Ghazouani, Hedia Teraoui

Abstract : The purpose of this article is to try to see if the FDI actually contributes to technology transfer in Tunisia or are there other sources that can guarantee this transfer? The answer to this problem was gradual as we followed an approach using economic theory, the reality of Tunisia and econometric and statistical tools. We examined the relationship between technology transfer and FDI in Tunisia over a period of 40 years from 1970 to 2010. We estimated in two stages: first, a growth equation, then we have learned from this regression residue (proxy technology), secondly, we regressed on European FDI, exports of manufactures, imports of goods from the European Union in addition to other variables to test the robustness of the results and describing the level of infrastructure in the country. It follows from our study that technology transfer does not originate primarily and exclusively in the FDI and the latter is econometrically weakly with technology transfer and spill over effect of FDI does not seem to occur according to our results. However, the relationship between technology transfer and imports is negative and significant. Although this result is cons-intuitive, is recurrent in the literature of panel data. It has also given rise to intense debate on the microeconomic modelling as well as on the empirical applications. Technology transfer through trade or foreign investment has become a catalyst for growth recognized by numerous empirical studies in particular. However, the relationship technology transfer FDI is more complex than it appears. This complexity is due, primarily, but not exclusively to the close link between FDI and the characteristics of the host country. This is essentially the host's responsibility to establish general conditions, transparent and conducive to investment, and to strengthen human and institutional capacity necessary for foreign capital flows that can have real effects on growth.

Keywords : technology transfer, foreign direct investment, economics, finance

Conference Title : ICEF 2014 : International Conference on Economics and Finance

Conference Location : Barcelona, Spain

Conference Dates : February 27-28, 2014