

## Capital Accumulation, Technology Diffusion and Economic Growth: An Empirical Application to Tunisian Case

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**Abstract :** This paper aims to test the impact of various variables-namely, investment in physical capital, investment in human capital, openness to trade and foreign direct investments, and distance from the technology frontier-on economic growth in the Tunisian context during the period 1976-2010. Empirical results identify that the impact of human capital is significantly positive. This finding confirms the hypothesis that human capital is a main driver of economic performance through its role of improving the internal productive capacity and the absorption of foreign technology especially via foreign direct investments. The effect of FDI is significantly positive in all alternative regressions and the coefficient associated to physical capital variable is positive, but not significant overall. Concerning the import of technologically advanced equipments, our estimates show the absence of a significant direct impact on economic growth in Tunisia. Our empirical results also support the assumption of a non linear relationship between tax and growth and demonstrate the existence of an inverted-U curve between the two variables, in the spirit of the "Laffer curve".

**Keywords :** Endogenous growth, Human capital, Technology transfer, Absorptive capacity

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