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# International cooperation projects in support of entrepreneurship in Southern Tunisia: activities and relations with public actors

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## Abstract

*In Tunisia, international cooperation projects in support of entrepreneurship boomed after the 2011 revolution. This paper analyses to what extent such projects have built the capacities of those involved in local entrepreneurial “ecosystems”. It analyses the main international cooperation projects supporting entrepreneurship in the Kebili and Medenine governorates (Southern Tunisia) between 2011 and 2020. The activities of these projects were mapped and two workshops were conducted with actors of the local entrepreneurial ecosystems to discuss their implementation. Fourteen international cooperation projects were identified. These projects mostly focused on increasing the number of enterprises created, e.g., by supporting training, networking and sometimes funding. However, only one project provided support after creation of businesses, and few promoted a culture of entrepreneurship. Overall, these projects generally based their actions on the existing ecosystem of public actors in charge of supporting entrepreneurship. They made limited attempts to build the capacities of those actors, evaluate the functioning of local entrepreneurial ecosystems and coordinate among themselves.*

**Keywords:** *International cooperation projects, Ex-post evaluation, Entrepreneurial ecosystem.*

## 1. Introduction

The development of entrepreneurship can mitigate poverty in developing countries and, as a result, can improve social conditions while contributing to the development of innovations (Ben Slimane and M’Henni, 2018; Aghion, 2017; World Bank, 2013). Value creation is an emerging property of economic agents and their interactions in complex systems (Wurth *et al.*, 2022). Promoting entrepreneurship is often seen

as a major way to address social and economic challenges (Bon and Van Der Yeught, 2018). As noted by Schumpeter (1911), entrepreneurs can be the locomotive of economic transformation by creating new value, which then circulates throughout the economy. Policymakers are paying increasing attention to approaches that seek to develop entrepreneurial ecosystems, as tools for cost-effective economic development and resilience (Spigel, 2020).

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In Tunisia, inequality between coastal and inland regions has been obvious since independence. Moreover, youth unemployment, specifically in the Northwest, central-West and southern regions is a major issue (Bisiaux *et al.*, 2020). Tunisian governments have introduced several mechanisms to encourage entrepreneurship since the end of the 1990s, such as gradual liberalization of the market, privatisation of State-owned companies and the creation of structures to support business creation (Kallel-Boukhris, 2015).

Many obstacles have held back the development of private investment initiatives and have consequently prevented the achievement of expected levels of growth and employment. Emigration absorbed a large number of unemployed youth, who felt they had an unclear future and were deprived of their freedom of expression. Emigration thus played the role of a “safety valve” (Bisiaux *et al.*, 2020). However, the very restrictive visa policy applied by European countries since the 1990s pushed significant numbers of migrants into taking irregular routes, often by sea, to reach Italy. Barriers to Tunisian emigration reduced access to the European labour market at a time of exploding unemployment. They may have played an indirect role in the 2011 revolution, which was initiated by an employment-related incident.

Since 2011, economic and social indicators have recorded a substantial decrease. The unemployment rate had been maintained at around 15% before the 2011 revolution and later grew to around 19% in the post-revolution decade. Tunisia is still facing several socio-economic problems and limited economic growth (INS, 2011). Unemployment rates are even higher in the South of Tunisia: in the Kebili and Medenine governorates, the rates are 22% and 26%, respectively (National Institute of Statistics, 2021).

In response to these challenges, and to post-revolution social issues, especially in the South of Tunisia, international cooperation has provided substantial budgets to support initiatives addressing unemployment and thus aiming to limit irregular immigration risk issues. International cooperation provides financial and technical support and contributes to the execution and supervision of a series of projects. In particular, the partnership that

the European Union has established with Tunisia to mitigate migration flows is supported by various funding instruments, including the financing of projects to support socio-economic integration and the promotion of entrepreneurship. The latter was based on new support methods and services with a view to promoting job creation by and for youth.

The literature dealing with ex-post evaluation of entrepreneurship support projects backed by international cooperation is limited, in particular in North African countries. In the Bolivian context, Saucedo-Bendek *et al.* (2020) contrasted entrepreneur aspirations and needs at the early stages of business creation with their perceptions of international cooperation programmes. The authors diagnosed an inefficient deployment of resources leading to wide-ranging dissatisfaction of entrepreneurs. Mohamed (2020) analysed the objectives and outcomes of international interventions in support of entrepreneurship in Tunisia and Egypt and assessed the relevance of those interventions as a means of addressing national economic challenges.

Research investigating the connection between international cooperation projects and entrepreneurial ecosystem dynamics is scarce. Arous (2018) analysed the effectiveness of the intervention of the REES international cooperation project (strengthening the entrepreneurial ecosystem of the South) in support of entrepreneurship in Tunisia, which set out to strengthen the entrepreneurial environment.

This paper aims to fill this gap and focuses on international cooperation projects supporting entrepreneurship undertaken in the governorates of Kebili and Medenine. Based on an analysis of their activities and a participatory assessment of their implementation, it examines to what extent these projects have contributed to enhancing the capacities of local actors in charge of supporting entrepreneurship.

## 2. Literature review

### 2.1. Entrepreneurship and entrepreneurial ecosystem

Autio *et al.* (2015) highlighted the importance of a favourable economic context, as well as the

role of supporting instruments (e.g., business incubators, financing and support mechanisms) to bolster the development of entrepreneurial activities. These activities can also be sustained through public policies that encourage entrepreneurship, an educational system open to entrepreneurship, access to funding, but also the existence of multiple support services, such as incubation, developed infrastructure, and training (Thomas and Autio, 2020).

Cao and Shi (2021) defined an entrepreneurial ecosystem as a community of several stakeholders who are coevolving and creating an encouraging environment for novel business enterprises inside an area. Autio (2016) also mentioned that such a system comprises “loosely connected, hierarchically independent, yet mutually co-dependent stakeholders” (p. 20).

The entrepreneurial ecosystem concept has become “trendy” within the academic and policy communities (Autio *et al.*, 2018; Acs *et al.*, 2016). According to Mason and Brown (2014), it moves the analysis level from that of the company to that of the whole ecosystem where it is located. However, there lacks a shared conception of what entrepreneurial ecosystems are, since they have been subjected to limited theoretical and empirical analysis (Cao and Shi, 2021). Some studies have analysed the reasons why some places achieve high levels of entrepreneurial activity. Among those reasons, they put forward social and cultural factors that mediate and shape entrepreneurship (Mason and Brown, 2014; Acs *et al.*, 2016).

Mason and Brown (2014) proposed to categorise four aspects of entrepreneurial ecosystems:

- *Entrepreneurial actors*: These actors provide intensive support and mentoring, consisting in delivering information and assistance to novel entrepreneurs throughout the pre-start-up, start-up and post-start-up phases. Furthermore, they offer incubation services and provide networking opportunities.
- *Entrepreneurial resource providers*: These organisations supply resources to entrepreneurs. They comprise finance providers (banks, “angel groups” and venture capital firms) that intervene using a wide range of tools (banks credit, crowd funding, peer-

to-peer lending, invoice-based finance, i.e., when firms sell their invoices or receivables to a pool of individual or institutional investors, Collins *et al.*, 2013).

- *Entrepreneurial connectors*: These actors promote links between various entrepreneurial ecosystem elements. They operate by creating practice communities or entrepreneurial networks.
- *Entrepreneurial orientation*: A key component is culture, and particularly societal norms and attitudes towards entrepreneurship.

## 2.2. Entrepreneurship value chain

The value chain of entrepreneurship can be described as a process made up of consecutive stages through which an entrepreneur evolves and connects to surrounding actors to establish his or her business (Martinez, 2015). Becoming an entrepreneur is not easy, given the numerous obstacles throughout the entrepreneurial process (Moroz and Hindle, 2012). The “pre-natal” phase involves the development of an entrepreneurial culture and spirit to solve the psychological difficulties of creating a business (Gabay-Mariani, 2020). Support should begin by raising awareness and promoting entrepreneurial skills: qualities and attitudes expressing the will to undertake and to commit oneself fully to what one wants to do and being comfortable with risk, along with courage, and a sense of responsibility and organisation.

In a second phase, entrepreneurs require orientation within the entrepreneurial ecosystem and need to get informed about support programs. They then move on to the capacitybuilding phase for enterprise creation by means of training. This is followed by a phase of creation support that provides facilities (feasibility studies) and networking. The last phase of the entrepreneurial process is assistance in accessing funding, as well as advice and coaching.

The supporting approach is generally multidisciplinary and involves multiple actors, both public and private. It can take different forms and should not stop at the establishment of the company (Martinez, 2015). Young promoters still require post-creation support to overcome the risk of the newly created company dying out. Such

support can help them reflect on their choices and practices. Overall, accompanying entrepreneurs entails supporting them in the different stages, with a view to fostering their autonomy.

According to Fayolle and Nakara (2012), people involved in an entrepreneurial activity by necessity, which is the case of rural entrepreneurs in emerging countries, are often not prepared humanly and technically and suffer from a lack of self-confidence, precariousness, isolation, a lack of networks and professional experience. That is why their expectations and needs with regard to entrepreneurship can be addressed through the education system (Saucedo-Bendek *et al.*, 2020; Mason and Brown, 2014).

### **2.3. The Tunisian entrepreneurial ecosystem**

The promotion of private investment dates back to the early 1990s, when the government tried to develop an economic environment conducive to private initiatives by bringing in more flexible regulations. In 1995, access to the World Trade Organisation and the association agreement with the European Union were enabling factors that prompted the Tunisian government to adopt a new policy to improve the competitiveness of its industry, notably by establishing a set of instruments to generate a favourable environment for the creation and development of businesses.

Improving the legal and regulatory environment was one of the Tunisian government's objectives. The Investment Incentive Code in 1993 was designed to unify the various sectoral codes that existed already, and to bring them together within a new investment incentive logic including providing common incentives to all activities, and specific incentives to certain activity fields or priority areas (Baccouche *et al.*, 2008). In addition to adjusting the legal incentives framework, Tunisian governments have strengthened institutional support for business creation. Several organisations have been created and various programmes have been developed.

Thus, the Tunisian entrepreneurial ecosystem is an integrated system of economic and institutional agents (public institutions, educational systems and funding institutions) that are supporting entrepreneurs and small and medium enterprises.

It comprises several institutional actors attached to different ministries (Prime Minister's Office, Ministry of Agriculture Hydraulic Resources and Fisheries, Ministry of Development, Investment and International Cooperation, Ministry of Tourism and Handicrafts, Ministry of Industry and of Medium and Small Enterprises, Ministry of Higher Education and Scientific Research, Ministry of Professional Education and Employment) (Ouanes, 2016). These institutional actors are represented throughout the country.

The main institutional support structures are: the Agency for the Promotion of Industry and Innovation (APII), the Agency for the Promotion of Agricultural Investments (APIA), the National Network of Business Incubators, the Business Centres, the National Agency for Employment and Self-Employment (ANETI), the technical centres, technopoles and the Export Promotion Centre (CEPEX). These actors operate from the stimulation of an entrepreneurial culture right up to post-creation follow-up and support of entrepreneurial projects (Kallel-Boukhris, 2015).

In addition to public structures, non-governmental players contribute to the entrepreneurial ecosystem. For instance, there are associations such as the chamber of young managers and the Arab Institute of Enterprise Directors. Others were created based on initiatives arising from international cooperation, such as the Network "Entreprendre", which is an association of business leaders founded in France, whose main mission is to contribute to the success of new entrepreneurs. International cooperation projects have also supported a wide range of actors and activities, e.g., the creation of co-working spaces (shared office environment and space for meetings and collaboration), FabLabs (fabrication laboratories providing an arsenal of machines and tools used for the design and production of all kinds of objects), upholding of public actor services, some other services granted to entrepreneurs, etc.

Thus, the entrepreneurial ecosystem in Tunisia now involves many players and numerous programmes are being implemented with the broad support of international cooperation. However, several factors have slowed down the development of entrepreneurial activities (Abrous, 2018): the complexity and the compartmentalization of the

procedures of business creation; the strategic approach of institutional actors and their anticipatory vision of the future that have not been translated into an effective strategic action plan; limited actions intended to support coordination within the entrepreneurial ecosystem. Abrous (2018) noted significant signs of change in the behaviour of entrepreneurial ecosystem actors, towards making support services more accessible to young entrepreneurs. However, he considered that, in addition to the above, some challenges still need to be addressed to establish a successful entrepreneurial ecosystem, especially in rural regions.

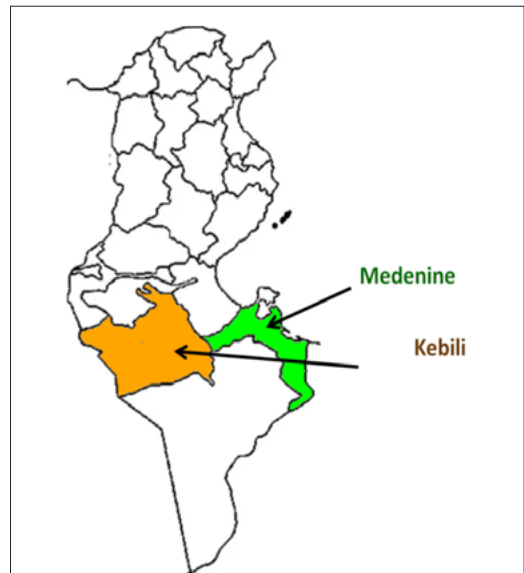
Tunisian entrepreneurs, especially in rural areas, are highly risk averse (Abrous, 2018). That is why the kind of support required is action taken upstream, also concerning an entrepreneurial culture and the development of entrepreneurial intention (Charfi, 2020; Ismail *et al.*, 2018; Ouanes, 2016; Dziri, 2013). Boussema (2020) identified barriers, such as a lack of entrepreneurial training and services provided by supporting organisations in Tunisia.

Moreover, the problem of competitiveness and the ability of the private sector to compete on the international market are considered as preponderant factors. The Arab Institute of Business Leaders publishes an annual report on regional attractiveness, based on a “Local Business Climate” index, measuring the regions’ ability to attract all kinds of economic activities and production factors (companies, business events, entrepreneurs, capital, etc.) over a given period. According to the 2019 report from this institute, the Governorate of Tunis was the leader at national level with a score of 5.15/10, while the Governorate of Medenine, with a score of 3.47, ranked ninth within the 24 governorates. Kebili was ranked last, where the business climate was considered “not at all satisfactory” with a score of 1.7 out of 10.

### 3. Methodology

The study took place in the governorates of Kebili and Medenine (Figure 1). The economy of the governorate of Kebili (160,000 inhabitants) is based on date palm cultivation, horticulture, breeding and Saharan tourism. In

Figure 1 - Study area.



the governorate of Medenine (450,000 inhabitants), agriculture, industry and tourism are the main activities. The methodological approach adopted involved two stages.

#### *Phase I. Documentary analysis of the data available and mapping of projects by governorate*

The objective of this phase was to identify and characterise the main actors of regional entrepreneurial ecosystems and to identify international cooperation projects in support of entrepreneurship and which intervened in these two regions after 2011. Identification was based on the reports and documents produced by various actors of the entrepreneurial ecosystem. Based on this documentary analysis, we first listed the Tunisian entrepreneurial ecosystem actors according to the classification of Mason and Brown (2014). Secondly, we mapped the various international cooperation projects implemented in each of the two regions after 2011. Thirdly, we used the entrepreneurship value chain approach to elucidate the kind of support afforded by these projects.

#### *Phase II. Participatory evaluation of projects in regional workshops*

The objective of this phase was to collect actors’ views of internationally funded projects in support of entrepreneurship. Two workshops



were organised in February 2020 (one in each governorate). They involved altogether about forty participants: representatives from public institutions and administrations (APIA, ANETI), from financial support institutions (Tunisian Bank of Solidarity, and the Bank for the Funding of Small and Medium Enterprises, and micro-credit) and also some entrepreneurs benefiting from the mapped projects. They were moderated by the research team.

During the workshops, the participants were presented with the mapping of international cooperation projects carried out in Stage 1 and were invited to complement it. Secondly, they identified the main issues with regard to the implementation of international cooperation projects in support of entrepreneurship. For each of these issues, the participants identified constraints to successful implementation of entrepreneurial projects and successful initiatives according to their own experiences of these projects and programmes, and they expressed the lessons learned. They also made some proposals for overcoming these constraints.

## 4. Results

### 4.1. Entrepreneurial ecosystem in the regions of Kebili and Medenine

The regional entrepreneurial ecosystem involves both public and private actors. Private actors intervene by creating permanent structures, such as USAID with CEED (Centre for Entrepreneurship and Executive Development) or ABD (African Development Bank) with Souk Attanmia. Table 1 maps the main actors of the regional entrepreneurial ecosystem using the typology proposed by Mason and Brown (2014). Table 1 shows that, at least “on paper”, actors of the entrepreneurial ecosystem of the study regions provide the various types of support identified by Mason and Brown (2014).

### 4.2. Mapping of international cooperation projects in the regions of Kebili and Medenine

Table 2 shows the main international cooperation projects focused on developing entrepre-

Table 1 - Key actors and inter-relationships within entrepreneurial ecosystems in Kebili and Medenine.

<i>Category and Services</i>	<i>Entrepreneurial Actors</i>	<i>Entrepreneurial Resource Providers</i>	<i>Entrepreneurial Connectors</i>	<i>Entrepreneurial Orientation</i>
	Support and mentoring services, business incubators	Financial, crowd funding, stock market access, linkage to large firms and universities	Professional association, entrepreneurship clubs and communities	Entrepreneurship education, business migration programmes
APIA	X	X	X	
APII	X	X	X	
ANETI			X	X
CEPEX			X	
Business Centres	X			
Tunisian Union for Industry, Commerce and Handicraft			X	
Development Office of the South	X	X		
University			X	X
USAID(CEED, Machrou3i)		X	X	X
ABD (Souk Et Tanmia)		X	X	X

Table 2 - Main international cooperation projects supporting entrepreneurship in the governorates of Medenine and Kebeli between 2011 and 2021.

Topics	Project names	Funder/operating agency	Date	K: Kebili M: Medenine
Projects to develop value chains and local development	PRODESUD II	IFAD/CRAD*	2014-2020	K
	PRODEFIL		2015-2020	M
	GDEO	GEF <i>et al.</i> /Ministry of Environment	2014-2019	K
Support for the development of micro-enterprises and support for existing ones	Promotion of Employment in Rural Regions (PERR)	GIZ	2012-2016	K
	Agripreneur		2017-2020	
	Mobi-Tree	AICS/Office of International Migration	2019-2022	M
	Creation of micro-enterprises	AICS/UNOPS	2017-2019	M
	Jasmin	AICS/CEFA	2018-2021	M
	Moubadiroun	World Bank/ANETI	2018-2024	K
	Souk Et Tanmia	ADB	2012-2020	K, M
	Machrou3i et Machrou3i II	USAID and AICS / UNIDO	2015-2021	K, M
	Jobs	USAID	2018-2023	K, M
Women entrepreneurship	GeMaiSa	AICS/Bahri Institute	2015-2021	M
	RAIDA	EU/Ministry of Women, Family and Childhood	2016 -	K, M

\* CEFA: European Committee for Training and Agriculture; AICS: Italian Agency for Cooperation and Development; UNOPS: United Nations Office for Project Services; ANETI: National Agency for Employment and Self-Employment; ADB: African Development Bank.

neurship that were implemented between 2011 and 2020 in the governorates of Kebili and Medenine. These projects generally sought to increase the number of successful projects among young entrepreneurs (and rural inhabitants specifically). Their intervention went beyond financing and extended “upstream” and “downstream”. The international partners also intervened in the elaboration of national strategic orientation by sharing their international experience and best practices with state actors (ministries, etc.). They contributed to formulating action plans and also took part in monitoring their implementation and in assessing their impacts.


These projects were highly diverse as regards the type of support provided and the number of beneficiaries. This amounted to diverse budgets. A first group of projects (e.g., PRODSUD, PRODEFIL, GDEO, Moubadiroun, Jobs) targeted several vulnerable areas and had various

components, such as activities providing direct assistance to promoters as shown in Table 3. They mobilised substantial budgets, starting from more than 30 million USD up to 70 million USD. The number of beneficiaries involved was large (e.g., 10,000 youth and 250 small- and medium-sized enterprises for Moubadiroun). A second group of projects (e.g., Jasmin, Souk Ettanmia, Mobi-Tree) involved lower budgets, typically less than 1 million USD and at best not exceeding 12 million USD. They supported much fewer beneficiaries (e.g., 100 youth and 40 small- and medium-sized enterprises for the “Creation of micro-enterprises” project).

Table 3 shows the support provided, throughout the various steps of the entrepreneurship value chain. All projects involved orientation of beneficiaries and training, mostly on the process of creating and managing enterprises. A majority of projects supported young people



Table 3 - Support from international cooperation projects throughout the entrepreneurship value chain in the governorates of Kebili and Medenine.

 The entrepreneurship value chain							
<i>Project names</i>	<i>Entrepreneurship awareness raising and promoting</i>	<i>Information and orientation of registered potential beneficiaries</i>	<i>Training</i>	<i>Facilitation and networking</i>	<i>Providing, funding</i>	<i>Advice and coaching</i>	<i>Post creation support</i>
PRODESUD II, GDEO		X	X		X		
Prodefil, PERR		X	X				
Agripreneur		X	X	X		X	
Mobi-Tree, Creation of micro-entreprises		X	X	X	X	X	
Jasmin		X	X	X	X		
Moubadi-roun	X	X	X	X		X	X
Souk Etanmia	X	X	X	X	X	X	
Machrou3i		X	X	X		X	
Jobs, GeMaisa		X	X	X	X		
RAIDA		X	X		X	X	X

in building entrepreneurial capacities and connections (e.g., with potential funding bodies). Machrou3i, for instance, provided direct support to young entrepreneurs by offering online and face-to-face training. Moubadiroun offered coaching sessions (related to entrepreneurship, agriculture, and psychology), training (accounting, marketing), prototyping, grants, sports and cultural activities, access to investments and post-creation support. Soukatanmia offered training and support with coaches to improve business plans and the best projects were selected for financing. Many fewer projects were involved in “upstream” activities focusing on promoting a “spirit” of entrepreneurship for entrepreneurial orientation. Downstream of the value chain also, few projects provided actual funding and coaching of the microenterprises launched. Finally, only two projects provided post-creation support.

The international cooperation projects studied were implemented making use of the existing entrepreneurship support ecosystem. They

only marginally tried to enhance the functioning of this ecosystem (e.g., by providing instruction for trainers). International cooperation projects only slightly targeted components of the ecosystem (entrepreneurial resource providers and entrepreneurial orientation), which are already weak points of this ecosystem, as seen in the previous section.

The REES project (“Strengthening the Entrepreneurial Ecosystem in Southern Tunisia”) was the only project that focused on building a successful entrepreneurial ecosystem in the governorates of Medenine, Tataouine, Kebili and Tozeur, by identifying its weaknesses and implementing joint improvement actions in order to reduce youth unemployment and to create local economic and social development. It started in 2016 and lasted until December 2017. It was funded by the Japanese government and implemented by UNDP in partnership with ODS, ANETI, and the Tunisian Bank of Solidarity. This project, first, planned actions targeting capacity-building for key regional entrepreneur-

ship ecosystem players and improvement of coordination between them. It then provided technical and financial support to young entrepreneurs. Finally, it documented good practices.

The REES project undertook various actions, which covered the whole entrepreneurship value chain in the targeted regions, such as improving the knowledge, know-how and communication skills of institutional authorities and local economic actors, as well as the student population. Universities and associative networks were also formally considered as part of the entrepreneurial ecosystem, as important stakeholders who bring a certain added value. However, Abrous (2018) considered that despite the valuable achievements of this project, they were not sufficient to solve all the challenges faced by the local entrepreneurial ecosystem.

#### **4.3. Actors' views on internationally funded projects to support entrepreneurship**

The participants identified five major topics regarding support for youth entrepreneurship in the two governorates: i) coordination between actors in the entrepreneurship ecosystem (i.e., relative to “entrepreneurial connectors” using the typology proposed by Mason and Brown); ii) funding procedures (i.e., relative to “entrepreneurial resources providers”); iii) entrepreneurship orientation, (i.e., culture of entrepreneurship); iv) access to markets and post-creation support (i.e., entrepreneurial connectors); and v) use of local specific resources for developing business activities.

##### *Lack of coordination between multiple actors*

All the participants in the two workshops highlighted the problems related to the multiplicity of actors involved. Firstly, several international cooperation projects operated according to the same approach without any coordination and synergy, even though they were sometimes managed within the same ministry. The multiplicity of international projects led to complex, lengthy and unclear decision-making and discrepancies in the interpretation of legal texts. This put pressure on the limited human resources available within public organisations at regional level.

The staff of these organisations spent their time dealing with various funders to implement the same type of activities. Cumbersome administrative processes also limited staff capacities to implement actions, e.g., with regard to purchasing equipment.

Secondly, the participants stated that young project holders were often lost between existing support structures (e.g., local office of the Industry and Innovation Promotion Agency, business centres and business incubators, employment offices). Each of these entities could respond to some of their needs, but the answers given were sometimes contradictory, or placed them within an inextricable circle of procedures.

Along with this general negative assessment of a prevailing lack of coordination, the participants mentioned some good practices to capitalise on. Some projects (e.g., PRODEFIL, GDEO, and PRODSUD) had created local coordination committees bringing together all the involved organisations in monthly meetings. The participants also recommended the creation of a digital platform, which would gather all organisations involved in supporting entrepreneurial projects. This would concern not only organisations officially in charge of supporting project holders (e.g., business centres), but also funding partners, such as regional banks and microfinance organisations. This platform would thus involve both public and private actors. Project holders would be able to find on this platform the whole range of support and assistance they needed, including discussions about their project ideas, assistance with the creation of their company, and support in obtaining funding.

##### *Rigidity of funding organisations*

Funding was the most debated issue during the two workshops. The participants considered that funding policies did not suit the needs of entrepreneurs. This was the case of public financing structures (e.g., Tunisian Bank of Solidarity, Bank for Funding of Small and Medium Companies), whose procedures did not match the entrepreneurs' needs. For example, procedures to obtain funding from the Bank for Small and Medium Companies often exceeded a year, the financial support obtained was often based

on an underestimated budget, and only 10% of planned working capital was provided. Moreover, the participants considered that micro-finance organisations imposed excessively high interest rates. They estimated that approximately 25% of business failures were linked to inadequate funding support.

The participants also identified interesting initiatives that would deserve being up-scaled. When entrepreneurs received non-repayable grants from international cooperation projects (such as Agripreneur, Mobi-Tree, Creation of micro-enterprises, Moubadiroun, Souk Ettanmia Machrou3i, Jobs) in addition to credit from the Tunisian Bank of Solidarity with post-creation follow-up, their projects were generally much more successful. The positive impact of these grants highlights the prior needs of new entrepreneurs and the main obstacles to entrepreneurship. They correspond to financial ease brought about by a free amount of money to consolidate self-financing, and comfort in managing activities and risk taking.

### *Weak entrepreneurial orientation*

The participants considered that there was weak entrepreneurial orientation in Southern Tunisia, where the highest rates of unemployed graduates are recorded. They suggested that young graduates from the Medenine and Kebili regions were mostly attracted by the public sector, which—according to participants—was seen by young people as enabling financial security, paid holidays, opportunity for salary increases and the possibility for some kind of professional laziness. They considered that the education system was mainly responsible for the prevalence of this mentality because of short comings in an early education promoting entrepreneurship, innovation and creativity. Thus, they recommended acting “upstream” to create entrepreneurial vocations and prompt young graduates to take initiatives and risks instead of waiting—generally unsuccessfully—for recruitment into the public service.

### *Access to markets and post-creation support*

The participants identified a large diversity of actors providing training courses, both for

project holders and for actors of the entrepreneurial support ecosystem (training for trainers, coach, facilitator, training of leaders, local players, etc.). However, with the exception of a few training sessions in commercial and financial management, the participants stressed that there was no institutional support for obtaining the first order from customers and that there was no coordinated mechanism to promote access to public procurement for young project holders. The participants considered that a lack of entrepreneurial connectors was one of the main causes of failure of recently created companies.

Moreover, the participants considered that only one project provided support in terms of post-creation capacity-building support. They also proposed enhancing training related to value chains that they identified as promising in Kebili and Medenine (see below). Nevertheless, they identified some promising experiments in this regard, such as “Go to market”, post-creation support by the Centre for Entrepreneurship and Executive Development (CEED) of USAID, which has assisted, among other beneficiaries, young entrepreneurs of MACHrou3i in bringing products to global markets. They have integrated selected companies and entrepreneurs into international business and trade networks through face-to-face and virtual interaction with industry mentors. They have also engaged in advocacy activities with the Tunisian government and local administrations to facilitate exports of Tunisian products on international markets.

### *Better tapping of local resources for successful young enterprises*

The participants stressed the promising support provided by international cooperation projects for more effective tapping of local resources as a very important source of job creation, especially for young graduates and women. They identified preconditions for the development of a territorial network of enterprises and competitive territorial-rooted value chains. They pointed out territorial development and proximity, advocated the participation of the community and put forward social identity-based entrepreneurship targeting social impacts and job creation as a priority. This is why they recommended

more support for unconventional value chains built on local resources. For instance, in the governorate of Medenine, they identified green building materials using salt, sand, gypsum, hot stone and marble, and solar energy.

Moreover, they considered that the innovation potential of some existing value chains had not been sufficiently supported either by public or international cooperation projects. This was the case, for instance, of geothermal energy for growing early-season market crops in the governorate of Kebili. Agro-ecology and ecotourism value chains exploiting ecological and cultural tourism were recommended for both governorates. The participants also stressed handicrafts, because of the very important local resources with highly developed local know-how.

The participants explained that the support of products promoting local resources, identity, traditions, history, territorially embedded skills and knowledge linked to cultural positioning and territorial roots can generate innovative value propositions.

## 5. Discussion

### 5.1. *Too narrow focus on support activities*

General dissatisfaction was noted in the perceived benefits from international cooperation programmes in support of entrepreneurship. The activities of international cooperation projects supporting entrepreneurship covered a limited range of the entrepreneurial value chain as a whole (Table 2). Actions supported by these projects mostly focused on short-term issues, such as precreation capacity building and links with funding agencies.

This was the case with “downstream support”, as the projects involved almost no post-creation support, and the participants saw this as a major shortcoming. This result was also highlighted by Arous (2018), who mentioned that support for very small enterprises did not last long enough. Possibly, international cooperation projects assumed that permanent actors of the entrepreneurial ecosystem are supposed to be in charge of post-creation. We can take as an example the Prodefil project, which also targeted develop-

ment objectives by strengthening the ability of public and private actors, in order to establish a resilient ecosystem by supporting empowerment and self-development (e.g., Regional Agricultural Development Commission executives, agreements with several partners: SWISSContact, Technopole, Institution of Arid Regions, Higher Institute of Technological Studies).

Moreover, as shown in Table 1 and Table 3, and mentioned by the participants, international cooperation projects undertook few initiatives on “upstream” actions in terms of promoting entrepreneurship orientation. This limited promotion of an entrepreneurship culture has led to questions about the effectiveness of the support practices carried out (Ouanes, 2016). Charfi (2020), Arous (2018) and Ismail *et al.* (2018) considered that the psychological dimension is neglected or given little attention in the support process applied in Southern Tunisia. Similarly, a case study in Saucedo-Bendek *et al.* and Thomas and Autio (2020) revealed the same findings in the Bolivian context, which explains in part the perception of entrepreneurs marked by dissatisfaction.

Research therefore needs to improve its understanding of what relates to constraints and what relates to beneficiaries’ views. Further research will be needed to detail the reasons for the negative assessments expressed by the interviewees.

Secondly, the participants considered that there is a need for better support in choosing business domains for companies, especially around the development and exploitation of value chains based on local resources, whether they are traditional, by bringing in all the innovative potential (technological, commercial, social, etc.), or new, responding to a local or international business opportunity. This confirmed the vision of Baaziz (2018), who considered this as a solution for boosting innovation and for meeting both local and global needs by closely involving different key players in the ecosystem.

### 5.2. *Towards joint learning of ecosystem actors*

As a consequence of the above-mentioned limited coordination, the entrepreneurship promotion programmes at regional level were

characterised by few shared practices on the territorial approach, a lack of communication, exchanging of information and consultation between support structures, and overlap between support activities for young promoter systems. As a result, the projects implemented are “piled up” one after the other with poor capitalisation on results, limited learning, and especially limited joint learning among actors in the ecosystem, as also reported by Arous (2018).

Thus, as suggested by Stam and Van de Ven (2019), there is firstly a need for data collection and sharing between actors, for them to have a map of on-going initiatives and approaches used, information on rates of success in the short and long term, as no data are available on how many companies are successful or still existing a few years after project creation. Moreover, as formulated by Boussemma (2020), there is a need for international development projects to pay more attention to capacity-building for ecosystem actors, and not just making use of them.

## 6. Conclusion

By investigating the perceptions of Tunisian entrepreneurial ecosystem actors, the purpose of this study was to assess the support provided by international cooperation programmes in the South of Tunisia to promote entrepreneurship. Five major factors explaining the limited impact of international cooperation projects were highlighted: the lack of coordination between ecosystem actors, the weakness of the entrepreneurial culture at local level, the administrative and regulatory burdens, the financing resources and the non-integration of entrepreneurship policy in a value chain logic, which has given rise to difficulties in accessing markets.

Only one project mainly sought to improve the functioning of the entrepreneurial ecosystem. International cooperation projects have generally worked over a limited time span based on the hypothesis that it is the permanent ecosystem that will take care of post-creation support. These projects have a very short duration, which limits their activities and interventions: in practice, in just a few years, projects have to organise their functioning, choose the

beneficiaries, train them and sometimes help them in their creation actions, but the time left to go any further is very restricted.

In terms of methods, the entrepreneurship value chain approach made it possible to visualise and assess the support attributed to the entrepreneurial ecosystem. Advanced research should be carried out to analyse the effectiveness of programmes targeting the regional educational system as an important component of actions to promote entrepreneurial behaviour and entrepreneurship. Furthermore, investigations making use of behavioural economics, as a powerful empirical analysis tool for all situations that pose an observation problem, could provide a better understanding of the specific needs of prospective entrepreneurs in each region.

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