Regional competitiveness: A critical theoretical review and managerial and political implications, SADKI, T. ¹, NMILI, M. ² and JALAL, C.³

1- Docteur en sciences économiques et gestion, FSJES de Fès, USMBA, Fès, Tarik.sadeki@gmail.com.
2- Professeur de l'enseignement supérieur, FSJES de Fès, USMBA, Fès, Nmilimz@yahoo.fr.
3- Enseignante-chercheuse, FSJES de Fès, USMBA chaimaejalal@gmail.com.

Abstract:

At present time, we are in the presence of a great transmutation of the notion of competitiveness, national and regional. On the one hand, the concept has evolved from a conception strictly focused on foreign trade to the broader perspective of meeting the demanding and ever-growing needs of citizens and businesses, in terms of well-being, prosperity and development, collective efficiency, even social cohesion. On the other hand, while competitiveness in the past was based only on the levels of production costs, nowadays, it is on the contrary based on strategic watch and economic intelligence, flexibility, variety, distinction, and specialization, quality and innovation.

According to this new logic of competitiveness, the subnational region would have its say, given that it is only at this territorial level that the pooling of resources and the co-construction of collaborative territorial projects by economic actors, geographically and institutionally close, can be deployed to ensure individual and collective performance, and to boost local, regional and national competitiveness.

The present work is guided by this guideline. It therefore focuses on the prediction, explanation and description of the determinants of regional competitiveness. In doing so, the focus will be on the work of the New Geographic Economy (NEG) and those relating to the theory of the New Industrial and Territorial Organization (NOIT). In this regard, we consider that they can be united in a unifying framework, in this case, the location, concentration, agglomeration and territorial networking of companies operating in local productive territories. Our objective is to found a conceptual framework of regional competitiveness and deduce managerial and political implications.

Keywords: Regional competitiveness; Location; Agglomerations; Territorialized networking of local businesses.
Compétitivité régionale : Examen théorique critique et implications managériales et politiques

Résumé :
À l’heure actuelle on est en présence d’une grande transmutation de la notion de compétitivité, nationale et régionale. D’une part, le concept a évolué d’une conception strictement centrée sur les échanges extérieurs à la perspective plus vaste de répondre aux besoins exigeants et sans cesse croissants des citoyens et des entreprises, en termes de bien-être, de prospérité et d’efficacité collective, voire de cohésion sociale. D’autre part, alors que la compétitivité dans le passé était basée seulement sur les niveaux des coûts de production, à nos jours, elle est au contraire fondée sur la veille stratégique et l’intelligence économique, la flexibilité, la variété, la distinction et la spécialisation, la qualité et l’innovation.
Selon cette nouvelle logique de compétitivité, la région infranationale aurait son mot à dire, étant donné que seulement c’est à ce rang territorial que la mutualisation des ressources et la co-construction des projets territoriaux collaboratifs par des acteurs économiques, géographiquement et institutionnellement proches, peuvent se déployer afin d’assurer la performance individuelle et collective, et de dynamiser la compétitivité locale, régionale et nationale.
Le présent travail s’inscrit dans ces lignes directrices d’idées. Il se focalise alors sur la prédiction, l’explication et la description des déterminants de la compétitivité régionale. Ce faisant, l’accent sera mis sur les travaux de la nouvelle économie géographique (NEG) et sur ceux relatifs à la théorie de la nouvelle organisation industrielle et territoriale (NOIT). À cet égard, nous considérons qu’elles peuvent être unies dans un cadre fédérateur, en l’occurrence la localisation, la concentration, l’agglomération et la mise en réseau territorialisé des entreprises opérant sur des territoires productifs locaux. Notre objectif est de fonder un cadre conceptuel de compétitivité régionale afin d’en déduire les implications managériales et politiques relatives à ladite question.

Mots-clés : Compétitivité régionale; Localisation; Agglomérations; Réseaux territorialisés des entreprises locales.
Introduction

Today's world is faced with several challenges to overcome, among others, we quote; economic, social and spatial inequalities; intense competition not only between countries, but also between regions of the same country in attracting investment; cohabitation in the same nation, on the one hand, of rich regions having a strong capacity to drain the factors of production and companies, thus experiencing a spectacular concentration of productive activity, on the other hand, of poor regions whose destiny is intended for the hemorrhage of productive activity, depopulation, desertification and, ultimately, economic and social crisis.

From this new economic context, two main findings emerge and have proven to be the basis of our research subject, namely:

▪ On the one hand, the questioning of the concept of competitiveness at its national level and the resurgence, therefore, of smaller spatial units already constituting one of the major issues of the territorial development policy;
▪ On the other hand, the reconsideration of non-price competitiveness, urban, regional and national, instead of that based only on cost reduction strategies, in order to guarantee a dynamic of continuous improvement and inclusive development instead of static efficiency having a very reduced development optic.

Such considerations make it possible to justify the emerging consensus of researchers and decision-makers in the management of local public affairs around the pivotal role that the subnational region occupies, today, in the articulation of opportunities and threats from the global to the local isssues and ambitions in terms of territorial development.

Through this paper, we therefore aim to conduct a critical review of the literature, in order to reveal managerial and political practices based on scientific foundations in terms of regional competitiveness.

To do this, we will start with a brief critical discussion of the literature review, after having presented some definitions of our research object "regional competitiveness". Then, we will continue with the presentation of the conceptual model of regional competitiveness, so that we can deduce its various determinants. We will conclude by putting forward the managerial and political implications of regional competitiveness.

1. Regional competitiveness: Some definitions

As Cellini and Soci (2002) consider, the notion of regional competitiveness is neither macroeconomic (national) nor microeconomic (relative to the company). In other words, regions
are neither simple aggregations of individual firms nor small versions of countries. Torre et al. define the competitiveness of regions as "their capacity to create and develop economic activity and to attract and retain capital and skilled people in their territories" (Torre, et al., 2014). However, the competitiveness of the regions could be interpreted as their attractiveness in relation to the location choices of firms and workers, ie the key elements determining their economic performance. Contrary to these advances, Kiston et al.(2014) considered that it may be inevitable that regions and cities are compared, one against the other, only in relation to their level of attraction of factors of production since the comparison should serve for the explanation of differences and inequalities in the economic prosperity of cities and regions.

Also, the attractiveness of regions is considered as an intermediate variable between, the basic factors of their development and the desired results in terms of their competitiveness, in this sense they stipulate the following: “Using our concept of fundamental competitiveness, we can define a related concept, it is the attractiveness of global investments, which we define as the interval between the fundamental competitiveness of a region and its current factor costs”(Porter, et al., 2010). Simply put, an attractive location is one that offers relatively low costs based on productivity. As a result, international investment and trade flows will be influenced by the attractiveness of global investments, and thus the most attractive investment locations would be more likely to grow faster than similar sites with relatively higher cost of factors of production. Over time, this can support the growth of worker prosperity if core competitiveness improves as well.

To follow up on this reasoning, Porter et al. (2010) give a simple and summarized definition of the competitiveness of regions and nations by which the authors consider it as: “the level of production expected per individual of working age taking into account the overall quality of a country or a region as a workplace”(Porter, et al., 2010). Therefore, on the one hand, the authors conceive of fundamental competitiveness as productivity, or the level of production of workers, on the other hand, they put the emphasis on the prosperity of a region or country, allowing a quality of life for its workers, as a global competitiveness.

Camagni (2002) defines regional competitiveness as: "the power of attraction of territories and their capacity to meet the needs of citizens and the needs of businesses in terms of collective well-being and efficiency" (Camagni, 2002). This author summarizes the absolute advantage of the region in its capacity to possess superior technological, social, physical and institutional assets, which represent the immediate environment of local firms and which are then made available to them. In this wake, the sixth economic and social report of the Competitiveness Commission of the European Regions considers that: “Although there are highly competitive and other non-
competitive companies in the same region, the latter should have common characteristics that affect the competitiveness of all the companies that settle there” (European Competitiveness Commission, 1999).

In the sense of economic geography, the formation and evolution of “fortuitous” or “tacit” externalities are considered crucial for the dynamic competitiveness of regions and cities.

Stopper’s (1997) notion of 'untranslated interdependencies', relating to tacitly flowing knowledge flows, positive technological spillovers, networks of trust and cooperation, and local systems of standards and conventions, is considered to be essential for understanding the economic performance and competitive advantage of a region. These characteristics then constitute “regional externalities”, which represent specific non-imitable resources. Admittedly, they are external to local businesses, but play directly or indirectly in their favor and influence their economic efficiency, their capacity for innovation, their flexibility and their competitive advantage. In view of the above, Stopper (1997) defines the competitiveness of regions as: “the ability of a region to attract and maintain companies with stable or increasing market shares, while maintaining a standard of living, stable or perpetually increasing for those who participate in it” (Stopper, 1997).

In the sense of Krugman (1998), the competitiveness of a region is "its ability to attract capital and labor through their productivity and the returns it can offer to these factors of production" (Krugman, 1998). So for a region to be competitive, it would have to attract and retain labor and capital from other regions, and these factor flows will tend to boost that region's "absolute" productivity even further. In the light of what is presented above, we present in the table above, in a summary manner, the definitions of regional competitiveness.

In the light of these definitions, we then consider the competitiveness of a region as: “its capacity to attract and retain businesses and skilled labor, while basing ourselves on the elements favoring agglomeration and improving the productivity of production factors, with the aim of guaranteeing prosperity and collective well-being for all the actors who participate in its economic life” (SADKI T. and NMILI M., 2019, 2020).
Table 1. Definitions of regional competitiveness.

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<th>Authors</th>
<th>Definitions of regional competitiveness</th>
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<tr>
<td>Torre (2014)</td>
<td>&quot;The capacity of a region to create and develop economic activity and to attract and retain capital and qualified people in its territories&quot;.</td>
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<td>Porter (2010)</td>
<td>“The level of production expected per individual of working age taking into account the quality of life in the region as a workplace”.</td>
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<tr>
<td>Kistone and al. (2004)</td>
<td>&quot;The ability of regions to attract qualified people and creative and innovative businesses, by providing high quality cultural facilities and encouraging the development of social networks and institutional arrangements that ensure sharing and engagement. common with regard to regional prosperity “.</td>
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<tr>
<td>Camagni (2002)</td>
<td>&quot;The power of attraction of territories and their ability to meet the needs of citizens and the needs of businesses in terms of collective well-being and efficiency&quot;</td>
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Source: Developed by us, adapted from the theoretical literature review.

2. Regional competitiveness: Some conceptual issues

We start with the theory of regional endogenous growth. Then, we will discuss to the theories that base regional competitive advantage on the concentration of economic activity. Finally, we will present a theoretical conceptual model of regional competitiveness which is mainly based on the work of the New Geographic Economy and the New Industrial and Territorial Organization.

2.1. Regional endogenous growth theory: Schumpeterian theory interfering with endogenous growth theory

In the regional and sub-national level the theory of endogenous growth, emphasizes the role of knowledge and technological change as sources of regional competitive advantage.

According to R. MARTIN (2005), the theory of endogenous growth operates a new perspective in the theoretical explanation of the growth factors of a region and its underlying dynamics, given that the key factors underlined by said theory, increasing returns, human capital and technology, develop unevenly in the economic space and differentiate at the local and regional level. Initially, engaged in a path of macroeconomic research in imperfect competition, several models of the said theory were implemented to, endogenously, improve the growth of a country through technological progress, sometimes referred to as even more generic term knowledge.
P. ROMER (1994) developed the model of "accumulation of technological knowledge", in which he considers that the accumulation of knowledge capital through investment, at the level of each firm, improves the stock of knowledge available in the economy. This common knowledge is a Marshallian externality. It is made possible by the experience acquired that is to say by "learning by doing" and can be favored by the existence of complementarities between firms or activities and by the dissemination of knowledge and information.

Also, the dissemination of knowledge is facilitated by the agglomeration of firms and complementary sectors giving rise, respectively, to "agglomeration externalities" and "sectoral externalities".

R. LUCAS (1988) emphasizes the "accumulation of human capital" by justifying that the choices of individuals to devote part of their time to training "intertemporal choice" or to work in sectors requiring different levels of training "intersectoral choices" lead to a process of accumulation of human capital, part of which remains private, while the other benefits the economy as a whole. In this context, the externality carried by human and social capital is also Marshallian and its extent depends either on the quantity of human capital already accumulated in the past, or on the quantity of human capital developed simultaneously by each sector. According to this model, the externality is enabled, on the one hand, by improving knowledge based on the role of education and research and development, and on the other hand, by disseminating this knowledge in a agglomeration of activities with a high human capital content.

The second family of models of the theory of endogenous growth is based mainly on innovation. It is also qualified as Schumpeterian, insofar as it underlines the returns of technical progress which arise as a result of a deliberate innovation by producers. In this regard, P. ROMER (1994) returns to the role of "the accumulation of innovations as a source of growth". Technological innovation is made possible by companies investing part of their capital in research and development activities. This makes it possible, on the one hand, to promote the availability of more efficient inputs, and on the other hand, to follow a path of more accentuated specialization. The Schumpeterian approach is about technological, commercial and revolutionary product disruption, expressed by Schumpeter as "creative destruction". Such a process has previously been recognized by the "production detour". It is an element which creates a production with increasing returns, due to the social part of the knowledge produced: it is a Marshallian externality similar to that of the LUCAS model, according to which knowledge having the character of a "public good" is shared in an agglomeration.

Growth depends on the productivity of the private research and development sector, possibly supported by its public counterpart, which is linked to the research potential of a region. As a
result, the externality is not only supported by the diversification of inputs and complementarity between firms, but also through the complementarity between the public and private sectors in terms of research and development. This is how the consolidation of innovation could be seen as a driver of development, growth and competitiveness in an economy. Neo-Schumpeterian theories also ensure “the primacy of innovation as the key to regional competitive advantage”. The argument here is that competition depends on the pursuit of competitive advantage, the development of new products and processes is the main way to achieve it.

In other words, regional differences in competitive advantage are based on regional differences in the creation, use and application of knowledge. However, innovation leads to competition and competition stimulates innovation. Local determinants of innovation and entrepreneurship, as a key source of innovative activities, thus assume a central role in explaining regional differences in competitive advantage. For STORPER (1997), "the competitiveness of the regions is based on non-contractual learning interdependencies ". They are, therefore, formal and informal collaboration and information networks, information shared in the labor market and conventions and rules shared for developing channels of communication and interpreting knowledge.

In all, for a region to maintain its competitive advantage over time, it must continuously maintain a high rate of innovation compared to competing regions. Consequently, a main indicator for a dynamic of regional competitiveness is the evidence of the evolution of the relative importance over time of technological advances in favor of the region's companies and their activities. Ron MARTIN (2005) summarizes and offers a classification of these different models in the following table.

R. MARTIN and SUNLEY (2005), demonstrating the persistence of inequalities between regions in the long term, argue that: “ It seems that technological spillovers are localized and that they constitute an important source of geographically concentrated externalities and increasing returns. Something which limits the regional convergence of the productivity of the regions, knowing that it would be guided by a very slow process ". To this must also be added the attraction of the main innovative regions of knowledge and highly qualified workers from other regions. In this way, not only the differences of productivity between regions persist, but they may even widen over time.

In addition, based on their analyzes on the drivers of endogenous regional growth, R. MARTIN et al. (2005) have shown that differences in growth between countries or between regions persist and widen over time. This destroyed the words of the neoclassical theory which had considered
that the convergence of growth between the countries of the South and the countries of the North was always retained as their destiny in the long term.

<table>
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<tr>
<th>Growth theory</th>
<th>What endogenous growth engine serving regional competitiveness?</th>
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<tr>
<td>Extended neoclassical</td>
<td>– Physical and human capital.</td>
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<tr>
<td></td>
<td>– Exogenous technical progress, available everywhere.</td>
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<tr>
<td>Endogenous capital</td>
<td>– Capital investments.</td>
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<tr>
<td></td>
<td>– Returns grow through knowledge spillover effects.</td>
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<tr>
<td>Human and knowledge capital</td>
<td>– Benefits of investments made in education and training.</td>
</tr>
<tr>
<td>Endogenous Schumpeterian</td>
<td>– Technological innovation carried out by oligopoly producers, with technological diffusion, transfer and imitation.</td>
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<tr>
<td>innovation</td>
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</table>

Source: MARTIN and SUNLEY (2005)

2.2. Theories of concentration of productive activity and regional competitive advantage

The theories which base their analyzes on the mechanism of industrial agglomeration in general, and the concentration of companies in particular, fall within the line of research of Alfred MARSHAL. In this regard, this author considers that: "the regions of a given country are characterized by unequal levels of economic performance. These differences in performance can be explained by the forces of agglomeration ". In this regard, these theories emphasize the importance of local external economies, Marshallian, associated with the spatial and territorial agglomeration of economic activity, in the emergence of regional competitive advantage and so the improvement of regional competitiveness.

Generally, they are more closely associated, on the one hand, with the work of the “New industrial organization” of, M. PORTER (clusters), B. PECQUEUR (specific resources of the territory), C. COURLET (local production systems), A. ZIMMERMAN and A. RALLET (economic proximities) and others, and on the other hand, to the new models arising from the theory of “New economic geography” by, P. KRUGMAN (center-periphery model), THISSE and G. OTTAVIANO (Innovation, agglomeration and growth), POTTER (local knowledge spillovers and congestion effects), J. DURUNTON and others.

More recently, the economic analysis of space as a factor in the location of firms and workers is being renewed with "the new geographic economy". Geographic economics deals with the question of the concentration of economic activities in a small number of urban agglomerations. According to A. SCHMUTZLER (1990), it is the question of the agglomeration of economic activity and all those related to it, in particular the reasons for the specialization of regions and cities that should constitute the hard core of the new regional economy.
Paul KRUGMA (1991), as the first representative of this theory, through his work, sought to explain why regional industrial development had every reason to be uneven. To this end, he uses various economic and geographic notions, ranging from the consideration of Alfred MARSCHAL's localization economies to cumulative causation, including traditional theories of localization.

For the authors of the New Industrial Organization, local clusters of industrial specialization are seen as the key elements of regional success. The regrouping of several similar and related firms generates various external economies which represent sources of increasing returns for these companies in question, in particular the presence of a pool of specialized workers, specialized suppliers and networks of support institutions. Also, this regrouping intensifies the rivalry between the companies and generates the knowledge spillovers between them. Something that stimulates innovation and promotes the competitiveness, on the one hand, of these companies belonging to the same clusters and, on the other hand, of the territories where they are located.

These two theories are considered, in our opinion, as the framework best suited to the question of factors influencing regional competitiveness, for two main reasons:

- First, the two theories address the issue of regional competitiveness and its determinants using the same action mechanism, in this case: the concentration of economic activity;
- Second, the two theories complement each other since the limit of each represents the point of strength of the other.

As for the first point, the trend towards the agglomeration of economic activities explained and reinforced by the existence of external economies, is at the origin of the choice of the location of companies seeking the advantages of the underlying positive interdependencies. COURLET (2013, P. 42) returns to this mechanism to define it as a certain number of externalities taking several forms and can be distinguished according to the spectrum of economic activity, from a small agglomeration of companies to a large region made up of several industries, passing through an isolated industry.

However, the author considers the increased efficiency that accompanies the increase of the total volume of production, does not necessarily lead to the construction of large production units. From this, economies of scale do not only find their origin in the manifestation of internal economies, which increase with the size of firms, but also in the manifestation of external economies permitted by the economic environment in which they are located the firms in the form of industrial clusters. As to the second point, the work of the New Industrial Organization, as suggested by MARTIN and SUNLEY (2005), has limitations, as it tells us little about how settlements develop, or why they can also decrease. Also, they say nothing about how the clusters impact the regional economy as a whole.
On the other hand, these shortcomings represent for the NEG the key questions of its different models, since it focuses on the factors influencing the agglomeration and the dispersion of economic activity in a given region.

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3. Proposal of a theoretical conceptual model of regional competitiveness

The comparison of the fundamentals of the New Geographic Economy and the New Industrial Organization undoubtedly reveals the complementarity between the two theories. Consequently, this makes it possible to question the possibility of establishing a theoretical framework allowing a more detailed, adequate and exhaustive study of the factors favoring the agglomeration and the territorialized networking of local firms and having, in the end, the inequality between sub-national regions of a given country in terms of competitiveness.

Figure 1. Conceptual theoretical framework of regional competitiveness

![Figure 1. Conceptual theoretical framework of regional competitiveness](image)

Source: Authors
The figure above shows us a unifying theoretical framework which makes it possible to found a single mechanism that conducts the influence of a number of elements on the dynamics of regional competitiveness. These are, in this case, the external economies relating to the process of localization, agglomeration and territorialized networking of local businesses. It is from this theoretical framework that the conceptual model of the determinants of regional competitiveness can be developed. According to the review of the theoretical literature consulted within the framework of this work, five explanatory variables influence the dynamics of regional competitiveness.

Likewise, the literature review highlights the circumstances in which the said explanatory variables impact the dynamics of regional competitiveness. This implies the influence of moderating variables which could weaken or, on the contrary, strengthen the causal links. These are characteristics relating to the regional investment atmosphere.

In view of what was presented above, the conceptual theoretical model of the determinants of regional competitiveness, which is considered as a “set of relationships offering a coherent and understandable explanation of a management phenomenon” (Roussel, 2002) be drawn as follows:

![Conceptual theoretical model of the determinants of regional competitiveness](image)

**Source:** Authors
4. Direct determinants of regional competitiveness, Effect of localization, agglomeration and territorialized networking of local businesses

Based on this review of the theoretical literature, we can define regional competitiveness as the ability of a given region to attract and retain businesses and skilled labor, based on the factors favoring the location, agglomeration and networking of businesses and allowing the improvement of the productivity of production factors, with the aim of guaranteeing prosperity and collective well-being for all the actors who participate in its economic life.

Regional competitiveness, as a dependent variable of our research, we believe that it is directly influenced by five variables (location externalities, urbanization externalities, territorial profile, territorialized networking of local businesses and governance of territorialized networking of local businesses) and indirectly by two variables (local investment atmosphere and regional investment atmosphere).

In light of what was presented in our review of the theoretical literature. All these determinants therefore represent the obvious variables of the process of localization, agglomeration and territorialized networking of local businesses and ultimately help to explain regional competitiveness.

4.1. Effects of localization externalities

We conceptualize location externalities as savings generated from the agglomeration effect of firms in a location. This is the positive influence of the activity carried out by each economic agent in an agglomeration of firms on the quantities and prices of factors of production and finished products at the local market level (ASCANI A., (2012); ANTONELLI C., (1995); KRUGMAN, P. (1991, 2001, 2003)...etc.).

As mentioned in the review of the literature, these economies are external to individual companies, but internal to the sector of activity and industrial clusters. They are at the origin of increasing returns to scale allowing the improvement of the localization costs of companies.

We limit these externalities, within the framework of this research, to two main elements, namely: Local employment area and geographical proximity of strategic commercial partners.

To this end, two observations could be deduced:

- On the one hand, local businesses will have an interest in locating themselves in a productive site which is characterized by pooling an employment pool, because this allows them to benefit from a wider range of labor and find the specific qualifications that suit them.
On the other hand, within a location, the presence of a large number of partners (customers and suppliers) allows the company, all other things being equal, to benefit from a significant offer of goods and services intermediaries. Likewise, a very dense supply increases, for each firm, the chances of finding the inputs necessary for its production, while reducing the cost of transport or prospecting, and avoiding the risk of small numbers. The company would also need the geographical proximity of strategic customers, so that it can sell its offer, with larger quantities and reasonable prices and ultimately guarantee more outlets.

These externalities, which are at the origin of a self-reinforcing mechanism of localization and agglomeration of companies, ultimately promote the revitalization of the competitiveness of the regions.

4.2. Effects of urbanization externalities: intra and extra-urban infrastructure and metropolization

Any urbanization externality represents a magnet for the concentration of economic activity and will have a positive impact on the competitiveness of the regions. These assertions corroborate the several works carried out recently around the subject of the study in question (KRUGMAN P., (2003, 1998, 1997, 1991); THISSE J.- F. VAN YPERSELE T., (1999); CATIN Maurice et al., (2007, 2003); POTTER Jonathan, (2009); LAFOURCADE M., (1998),...).

Very far from the classic conception of land supply, this factor, today, no longer represents a simple geographical datum. The increasingly demanding and diversified demand of current and potential investors makes its development a distinctive advantage of the region. Likewise, its immobile character makes this factor a centripetal force of economic activity, thus generating an agglomeration of economic activity.

Admittedly, the work discussed in our review of the literature affirms the role that metropolises can play in the dynamics of the competitiveness of their regions, but this does not oblige us to rule out other work that relativizes these premises. This is the assertion of DEMAZIERE C. (2011) when he showed that small metropolises do not have the same influence as large ones on the competitiveness of productive territories.

THISSE et al. (2005), for their part, the metropolitan character of a region can have a perverse effect on its competitiveness. These are the effects of congestion which represent negative externalities (crime and pollution) and which can neutralize the effects of those which are positive.
4.3. Effect of the territorial profile of the region: Investment catalyst and key factor of regional competitiveness

The territorial profile does not only represent a geographical datum delimiting its borders, but it is considered as a kind of territorialization of productive projects that are part of a process of the triptych of specialization, diversification and specification.

The results of the work carried out by M. CATIN, S. HANCKANE and A. KAMAL (2003), concerning the examination of the effect of the characteristics of the local economic fabric on the growth of industrial sectors in the Moroccan provinces, show, on the one hand, the benefits of the specialization of a business grouping around a given sector of activity. As an example, the authors present the case of the metropolis of Grand Casablanca, where a large agglomeration of medium-tech industries is the prelude to a rise in high-tech activities. On the other hand, the authors show that in the Moroccan context, economic growth based on specialization can gradually lead to diversification, while showing the interest of the latter in the mitigation of bad economic hazards that can put some activities sectors at risk.

4.4. Effects of the collaborative dynamic between local economic actors: Resulting from the territorial specification and determining factor of regional competitiveness


Each territory (location) is distinguished by two components, namely: its specification and its collaborative dynamic enjoyed by the companies located within it.

- The first component refers to the distinctive skills of a territory in terms of resources and sectoral specialization, in particular first-nature resources, qualifications and expertise, technologies….
- The second relates to the pooling of resources and to market and non-market relationships that local economic operators establish among themselves. These savings are made possible by proximity, both geographic and organizational, between said actors. These relations materialize in a certain set of formal and informal cooperative projects that these actors conclude at the level of productive sites that create wealth for the benefit of the region, thus the attractive force of the latter depends on its collaborative dynamic characterizing all the local actors in their productive territories.
These are the distinctive skills resulting from industrial specialization as well as the interconnectivity of regional territories, productive territories, administrative territories and scientific and intellectual ones, which allow local businesses, upstream, to benefit from specific resources (natural resources specific, qualification and expertise, technologies ...) and, downstream, to present a distinctive offer anchored in the region. On the other hand, such specifications push local players to pool their resources around one or more cooperation projects of different categories.

4.5. Territorialized networking of local businesses: A tool for territorial anchoring and intermingling of local actors boosting regional competitiveness

The positive externalities linked to localized spillover of information and knowledge encourages local firms to join territorial networks of organizations. This is one of the determining factors of performance, both individual and collective (COURLET Claude et PECQUEUR Bernard, (2013); PECQUEUR Bernard, (2008, 2005); COURLET C., (2006); PORTER Michael E., (2000, 1998, 1990); KRUGMAN P., (2011, 2003); LECOQ B., (1995)...).

In other words, this networking process which embodies the triptych of proximity-interaction-coordination boosts the performance of companies as well as their areas of operation. According to the literature, it is the entrepreneurial culture and the culture of innovation that are at the origin of the company’s decision to network in a given territory. Ultimately, these two elements have a positive impact on the competitiveness of the region.

4.5. 1 Entrepreneurial culture: Source of motivation and animation of territorialized business networking boosting regional competitiveness

Animated and motivated by the principle of hunting in packs, local firms find that belonging to said territorialized networks not only improves their visibility on national and foreign markets, but also increases their negotiating capacity with their partners, which allows them to understand their environment and impose themselves. To this, there is also the transfer of information, by which the network will also be able to offer business opportunities at the right time, at a reasonable and sustainable cost, and with an acceptable entrepreneurial risk.

In addition, when it comes to an emerging and urgent desire of the company to diversify its commercial partners, or even to appeal to new providers of funds in order to improve its economic assets, it is the network in this case that it will offer the company most idealistic opportunities, all other things being equal.
There are those who stand out for their social embeddedness motivated by relational proximity. These are professional networks founded by members of the same family or also by friends. The networking dynamic in these territories can also take place within a formal institutional framework, in this case, when it comes to the chamber of commerce, industry and service, professional associations, federations professionals, competitiveness clusters, technopoles or any other institution.

On the other hand, other forms of networks can arise from a more or less informal institutional framework. As such, we can cite managers’ clubs, think-tank centers, american-style clusters, french-style Local Productive Systems, italian-style industrial districts, etc.

4.5. 2 Culture of innovation characterizing the territorialized networks of companies: Source of the dynamics of regional competitiveness

According to our review of the literature, to talk about innovation in the framework of networks, there must be a dissemination of knowledge and know-how, tacitly or explicitly, and this, by sharing practices and routines. technical, organizational or strategic. To do this, beyond the geographic or relational proximities of network actors, the existence of organizational and institutional proximities is a sine condition.

Likewise, the presence of the university within the network, or more generally of scientific research and training centers, will ensure the role of incubator of innovative ideas for the benefit of network member companies.

4.6. Territorial governance: For the sustainability of the region's competitiveness

As the sole guarantor of the sustainability and prosperity of territorial networks, their governance is a determinant of regional competitiveness (ALBERTI Fernando, (2001); CAMAGNI Roberto (2006); LELOUP F., MOYART L. et PECQUEUR B., (2005); CHABAUD D., EHLINGER S., PERRET V. (2007, 2006); BOCQUET Rachel, MOTHE Caroline (2008); Michel BARABEL et coll. (2009); MENDEL Ariel et BARDET Manuela (2008)...).

Two components are the basis of this impact relationship. The first relates to the institutional configuration of the governance of the territorialized networking of companies. The second relates to the role that these governance actors can play in order to establish cohesion and preserve the reciprocal interests of the stakeholders of said networks and more specifically those of local businesses.
4.6. 1 Homogenization effects of forms of territorialized network governance on regional competitiveness

In terms of governance of territorialized networking of local businesses, it will be judicious to recall the experiences of other countries, in particular those of France and Italy (ALBERTI Fernando, 2001; LELOUP, MOYART and PECQUEUR, 2005; …). This work all showed that the diversity of the structure of the decision-making bodies ensuring the governance of the networks had generated difficulties mainly linked to a dilution in terms of carrying out the missions assigned to them.

Thus, between a governance involving the different actors from different territorial spheres of the region, a governance ensured and assumed by a single actor (locomotive companies or public establishments, or even local authorities) and an associative governance relating to the involvement community of private actors, a homogeneous mode of governance has hardly been isolated.

In France, the labeling of competitiveness clusters which have formalized their governance institution was intended as a proactive policy through which the French State had sought to stimulate collaboration and the regrouping of actors in the area of co-production of knowledge for the benefit of growth and competitiveness of the regions.

Likewise, in Italy the promulgation of a law governing the functioning of industrial districts, imposed the institutionalization of governance which had the ambition of maintaining a favorable socio-economic context, promoting the brand image of the industrial districts, the development and implementation of collective marketing strategies, the promotion of entrepreneurial initiatives and, finally, the formulation of collective strategies in favor of local development.

Following the application of these political actions, academic work carried out around their evaluation has shown that it is through these collective well-being meta-management devices that the territories can redeploy themselves in new combinations. for the creation of new specific territorial resources and which resulted in the dynamics of regional and national competitiveness (ALBERTI, 2001; CAMAGNI, 2006; LELOUP, MOYART and PECQUEUR, 2005; CHABAUD et al., 2007, 2006; BOCQUETI and MOTHE, 2008; BARABEL et al., 2009; MENDEL and BARDET, 2008; …).

The Moroccan experience has not seen the same pace in recent years, due to the lack of institutional arrangements limiting the capacity of companies to integrate into networks, or even the inter-connectivity of productive, scientific, administrative and policies territories. This has weakened the capacity of actors to build specific resources, and therefore to increase the development potential of Moroccan regions (BOUJIBAR, 2019; ALIGOD, 2016; MEZOUAGHI, 2002; KHELFAOUI, 1997; …).
Strengthening the governance process also requires the standardization of governance mechanisms, given that it makes it possible to support collaboration and initiate the territorialization of productive activity at regional level.

5. **Indirect determinants of regional competitiveness, Regional investment climate and regional competitiveness**

The regional investment climate has a moderating effect, through its two levers, namely: the local investment atmosphere and the regional social atmosphere. The first is directly linked to (local) industrial activity, while the second relates to the overall framework of (social) investment characterizing the region in which the company is located. In short, these elements will likewise modify the influence relationship between the factors mentioned above and regional competitiveness.

In this regard, the theory highlights, on the one hand, the negative moderation of the local investment atmosphere, on the other hand, the positive moderation of the social investment atmosphere has been highlighted.

5.1. **Local investment atmosphere**

Regarding the observation of the local investment atmosphere, the literature review reveals obvious variables. This is the administrative inefficiency that more hurts the well-being of investors at the regional level, due to cumbersome administrative procedures, slow deadlines and problems related to corruption. The lack of trust between local actors, the competitive intensity as well as insecurity also present real factors limiting the attractive power of the region’s productive territories.

The theory links the advancement of these factors to the phenomenon of congestion which particularly characterizes metropolitan regions, where there is a strong condensation of economic and residential activity which greatly exceeds the carrying capacity of metropolitan cities. Ultimately, internalizing these elements will be expensive for the local firms.

5.2. **Regional social atmosphere: Conservation force for investments at regional level**

In this regard, the review of the theoretical literature revealed the positive influence of social factors on regional competitiveness. It is then the social infrastructures (health and education) and the costs which result there from as well as the living environment characterizing the region (environment and climate, space of leisure and relaxation...). Also, attachment to the region of origin and the inclusion of leaders and decision-makers in socio-professional networks have a
significant influence on the power of conservation and attraction of factors of production at the regional level.

All in all, the elements of discussion put forward previously come together to allow us to found an amalgam of factors influencing regional competitiveness.

**Conclusion: Managerial and political implications**

In view of what has been put forward previously, we hope, through this work, to provide a favorable and adequate scientific framework for decision support, for the benefit of institutional meta-managers taking charge of all or part of the development mission and of local, territorial and regional governance. In this regard, we put forward some managerial and political implications which are organized below as follows:

i. Strengthen the policy of concentrating productive activity, by encouraging the regrouping of local economic and non-economic actors around specific areas, so as to form incubators of productive units with strong industrial specialization, allowing the pooling of material resources and the constitution of intangible assets in skills and know-how, in order to establish public goods of local dimension and of general interest playing in favor of the regional economic and social dynamics;

ii. In a new economic era where the knowledge economy is taking over, it is proving to be very useful to rethink local productive systems, while inculcating the culture of innovation and integrating actors (universities, training establishments, centers think tanks, etc.) capable of creating an economic atmosphere imbued with the sharing of knowledge and skills likely to trigger the dynamic of collective learning having the effect of creating added value for the entire system;

iii. Encourage the concentration of the employment area and its proximity to the various productive territories of the region, in order to allow, on the one hand, companies to take advantage of a wider range of labor and to find, therefore, the skills and qualifications required, on the other hand, to improve the conditions of employability of employees at regional level;

iv. Build the regional competitive advantage on the basis of mechanisms for revealing and co-constructing specific territorial resources, while ensuring the alignment of visions, the reconciliation of decisions, and the collective management of actions, and by activating, seeing, generating situations of plural proximity (geographical, organizational, cultural, institutional, cognitive, and relational) between all the actors concerned by the issue of regional competitiveness;
v. Finally, thinking deeply about the strategic choices in terms of specialization and industrial diversification. In doing so, decision-makers in this area could adapt their choices to the maturity levels of the region's economic and industrial fabric. In this regard, specialization would be more adaptable to a less industrialized region, because this will allow it to take advantage of the savings linked to the synergies of efforts and to the pooling of resources characterizing the local production systems which are organized, depending on the mode, vertical division of labor. Likewise, specialization allows regions that are in the development phase to avoid entering into direct competition with those that are in the maturing phase, given that it offers them distinctive competitive advantages based on unmatched territorial resources. Nevertheless, it is advisable to combine the policy of industrial diversification with that of industrial specialization, for economically mature metropolitan regions with a high productive capacity. Because the policy of diversification allows them to protect themselves against the economic hazards that could affect their future.

In the light of the recommendations raised, this paper traces quest paths from the intersection of two disciplinary fields, in this case, regional economy and industrial economy. Thus, we propose as a first line of research to engage in a comparative study around our research proposals between several sub-national regions in the Moroccan context, while being based on the conceptual framework developed in this work. Likewise, it is opportune to focus future research on Territorial Organization Networks and thus question the relationship between their specificities and the dynamics of the competitiveness of Moroccan regions, or also the reciprocal activity of their performances. Also, it is wise to ask, which mode of governance for which structure of territorialized organizational networks.

Bibliography:


