

Traditional Social Groups

Under the Turkish regency and later under the French protectorate, traditional Muslim society evolved as a class hierarchy consisting of four elements. At the top were the *baldi*, the urban aristocracy; other town dwellers were the *tunsi*. The *afaqi* were sedentary rural villagers, and the *arabi* were the nomadic and seminomadic people of central and southern Tunisia, some of them still organized in tribes. These traditional class distinctions have become increasingly blurred, only the *baldi* exhibiting significant class consciousness after independence. Important remnants of all four remained, however, either as elements of new social groups or as centers of resistance to modernization.

Sometimes referred to as the traditional aristocracy or as the old upper class, the *baldi* traced their ancestry to the Prophet Muhammad or to one of his important followers and regarded themselves as the guardians of Islamic civilization. They rarely married outsiders, although for several centuries particularly wealthy commercial families strengthened the *baldi* ranks through arranged marriages.

Children of the *baldi* received a strict religious education culminating in studies at the old Zituna Mosque school in Tunis (now the Faculty of Theology and Religious Science at the University of Tunis). The prestige of the *baldi* was based in large part on their administering *habus* land (the numerous large agricultural estates held in trust for religious and charitable works), other religious charities and the mosques, and through their positions in the Islamic court system. Thus the domain of the *baldi* extended far beyond the agricultural properties and the commercial establishments they owned individually.

The *baldi* families were related to and closely associated with the *ulama*, the religious scholars and notables who elsewhere in the Maghrib formed an important elite element in traditional society. The *ulama* played a much less significant role in Tunis, however, where in addition to being conservative and intellectually uninspired, they tended to be servile in their dealings with the French administrators. Since independence the *ulama* have disappeared from view as an identifiable social element, and the loss of *baldi* wealth and influence has severely restricted the role of that group. The postindependence nationalization of *habus* land, the reduction in the size of the estates, and the general modernization of society have combined to force the *baldi* to give way to a new elite.

Seldom heard since independence, the term *tunsi* was formerly applied to all town dwellers other than the elite. Wealthy as well

as poor and educated as well as illiterate, the *tunsi* represented an extremely fluid element in urban society, where much upward mobility could be attained. The *tunis* also represented a channel of interaction between town and countryside, and the group's relatively open and liberal social values made it natural for the better educated and wealthier among its ranks to associate and sometimes ally with the Europeans. With the flow of migration that commenced in the 1930s, they have given way to other social groups, but the *tunsi* contributed many leaders to the independence movement.

Afaqi, or sedentary villagers, had their archetype in the prosperous farmers of the Sahil. Looked down on by the *tunsi* as well as by the *baldi* for their social aggressiveness and lack of sophistication, they were highly industrious, thrifty, and forward looking. Few Europeans took up residence in the already heavily populated Sahil, but it was the *afaqi* from this subregion who showed the greatest adaptability to Western values and institutions. Many were prosperous peasant proprietors able to send their children to French schools, and these young people played a leading role in the developing nationalist movement early in the twentieth century. Later a disproportionately large number of postindependence party leaders and civil servants were *afaqi* of Sahilian origin.

The populations of the relatively underdeveloped interior of the country were generally described as the *arabi*. Newly arrived but still unassimilated migrants to the cities as well as nomads and seminomadic villagers, these people occupied the lowest rung of the social ladder. Their customs and life-styles, however, were too diverse for them to have developed a sense of belonging to a society larger than that of their own village or nomadic tribe.

The term *arabi* is now seldom heard. A corresponding lower social element, however, continues to possess many of the characteristics of the *arabi*. In the countryside much of the population still lives by subsistence farming outside the mainstream of national life. In the cities and towns, newly arrived migrants continue to be identified with their villages of origin rather than with their new homes.

Social Stratification in Modern Tunisia

By the time of national independence Tunisian society, especially its uppermost echelons, had undergone significant modification as a result of French colonial influence. Among the most important innovations were Western-style education and the use of

examinations to fill lower positions in the colonial service. These innovations provided a new avenue for social and political mobility and permitted the slow emergence of a new class of administrators and professionals alongside the older aristocratic families and large landowners. According to one estimate, one-third of the population at independence was clearly in the modern sector, which could be found almost entirely in the cities and larger towns and in the Sahil. Another one-third was transitional, moving out of the traditional stage and consisting principally of urban migrants. The remaining one-third, including the rural population of central and southern Tunisia, remained almost untouched by the modernizing social and economic forces that were changing the rest of the society.

Four broad socioeconomic groupings could be distinguished in the 1980s, all with roots clearly discernible in the colonial period. The first grouping consisted of the country's rulers and the upper middle class, who comprised an elite that dominated the country politically and economically. Here were found members of the old aristocratic families, the new class of Western-educated civil servants and professionals who governed the country, prominent businesspeople, and large landowners. The second grouping was the lower middle class, consisting of low-level civil servants, secondary- and primary-school teachers, small businesspeople and shopkeepers, skilled workers in industry and the service sector, and small independent farmers in the Sahil, Cape Bon, and Bizerte. The third grouping included subsistence farmers and agricultural workers, who resided in the interior and the south of the country and who formed the largest proportion of the working population. The fourth grouping consisted of the day laborers, the unemployed, and the underemployed—a sizable group that resided both in rural areas and in shantytowns around the major towns and cities.

Members of the elite were linked by common values and experiences. Education served as a principal denominator and a strong tie traceable in many cases to shared experiences in French secondary schools. Many of its members had received advanced education abroad, usually in France, although a few possessed only a secondary education or were products of the traditional Zituna Mosque school. Among older members, a preponderant majority had attended the prestigious Sadiki College, which in the years before independence managed with considerable success to synthesize Arabic and French culture. A decade after independence the University of Tunis, founded only in 1958, began to contribute substantial numbers to this group.

Tunisia: A Country Study

For the most part Western-educated, the Tunisian elite admired Western institutions and values and had a special attachment to French culture and life-styles. Having adapted themselves quickly to Western customs and ways of dressing, they were for the most part strongly committed to rapid modernization and an egalitarian national society. They were united in their rejection of the precolonial social order.

In terms of social background, some were urban-born professionals, but many came from important commercial or landowning families. Others were of lower middle-class origins; their fathers were merchants, shopkeepers, bureaucrats, or small farmers of the Sahil. In all cases their families could afford the cost of education, the prerequisite for membership in the uppermost stratum of independent Tunisia. The elite came disproportionately from the Sahil, with significant additions from Tunis, other large urban centers, and Jerba Island. Bourguiba himself was perhaps the ideal example of a Sahilian of poor but respectable origin who achieved prominence through ability, education (provided by the Sadiki College and university studies abroad), intense patriotism, and adroit political activity.

The decade from 1956 to 1966 witnessed a great expansion of the Tunisian middle class. This was an era of unprecedented social mobility, brought about by the departure of the French, Italian, and Jewish foreign communities. Because these groups had monopolized most important positions in business, commerce, and government, their departure opened up immense opportunities. In the first few years after independence, Tunisians scrambled to fill tens of thousands of jobs vacated by Europeans in such fields as industry, transportation, large and small businesses, skilled trades, and government service. Those with education and skills established themselves firmly in the middle class, henceforth being in a position to determine the future of the country together with the already existing national elite.

At the top of the elite structure were the leaders of the Destourian Socialist Party (Parti Socialiste Destourien—PSD), bound together by old student-day friendships, by intricate political ties, and to some extent by marriage. They had studied in France and, speaking French fluently, tended to look down on those not familiar with the French language and customs. In the years just before independence the leading members of the party were young men devoted to changing the Tunisian society. In the mid-1980s these men were in their sixties or older and were entrenched in positions of authority.

Beginning in the mid-1960s a new group of technically trained men began to join the government and the elite. Graduates of the University of Tunis or Tunisian technical schools, these technocrats in the 1980s were aged 40 to 60 and played a commanding role in managing the affairs of state under the tutelage of the oldest generation of political leaders. Behind them, however, there was a sharp drop-off in the number of youthful members of the party and the government. According to one source, only about 15 percent of the elite was less than 40 years of age at a time when roughly one of every two Tunisians was age 20 or younger.

The lower middle class also expanded greatly after national independence and had both urban and rural components. It was predominantly urban, however, and included middle- and lower-grade civil servants; members of labor unions; self-employed individuals, such as taxi drivers, shopkeepers, and tailors; and the more substantial wage earners. In Tunis, in particular, members of this class were often reported to be recent migrants who retained strong ties with their villages of origin and who identified with the traditional town dwellers only in the second or third generation. However, they looked up to the Westernized elite, whose life-styles they sought to emulate. The most upwardly mobile of Tunisians, these people had high aspirations for their children. Occasionally an entire migrant group was successful in establishing itself in a particular occupation that lifted it into the middle level of society. This process occurred, for example, when migrants from Jerba Island were generally successful in establishing themselves as grocers on the mainland.

The farmers and villagers of the Sahil and the northeastern coastal lowlands formed the nucleus of the rural lower middle class. Probably more than any other social group, they had taken advantage of opportunities in the social and political realms in the three decades since independence. Although small merchants or olive growers and of only moderate means, they nonetheless managed to afford Western-style education for their children, many of whom went on to staff the bureaucracy or to assume positions of importance in politics and business. Despite obvious links with the political elite, they remained fiercely independent and opposed governmental interference in rural affairs that ran counter to their best interests, such as the abortive attempt to institute widespread cooperative farming in the 1960s (see *Land Tenure and Reform*, ch. 3).

The situation of the farmers and merchants of the Sahil, miners and factory workers, school teachers, civil servants, and other members of the lower middle class was definitely preferable to that of the lowest strata of Tunisian society—subsistence farm-

ers and paid agricultural workers in rural areas, day laborers in the *gourbivilles* around Tunis and other major urban centers, and the underemployed and the unemployed in both settings. These people constituted the bulk of Tunisia's labor force. Subsistence farming was concentrated in the interior and the south; day laborers, who often came from the poorest rural areas, shared many characteristics with middle-class migrants but differed from them in their general lack of education and skills. Underemployment was common in both groups. Least enviable were the unemployed, a substantial category of unfortunates. Often but not necessarily uneducated or unskilled, they constituted a class of economically marginal people without a useful role to play in the society. Composed to an ever increasing degree of disenchanting youth, the plight of the unemployed posed a troubling challenge to the established social and political order.

For the rural population in general, socioeconomic changes that commenced during the protectorate years have continued to disrupt the age-old pattern of life without replacing it with a clearly identifiable alternative. Education, health care, and welfare services have spread throughout the countryside, and there have been attempts at land reform and land redistribution in the years since independence. Even so, the more capable and ambitious of the rural population have shown a marked inclination to migrate to urban centers such as Tunis, Béja, and Kasserine rather than to remain on the land and work for social improvement there. Change has been slowest in the desert lands of southern Tunisia and in the semiarid interior. Both have become areas of out-migration in which only women, the old, and the very young have remained at home.

Over the years since independence Tunisian society has often been described as open, equitable, dynamic, modern, and democratic, especially in comparison with neighboring states in North Africa and those of the Middle East. While there has been cause for such description, the situation since the mid-1970s has become less sanguine, and the cleavages inherent in the country's social structure have become more pronounced. What formerly appeared to be one of the most politically stable and socially progressive states of the region has yielded evidence over the past few years of tensions and oppositions that if left unaddressed by responsible authorities portended an unsettled future.

Two major dichotomies underlay contemporary Tunisian society, one an old phenomenon, the other more recent. The older dichotomy was the regional opposition between the interior and the coast, which coincided economically with the division between the

underdeveloped and the developed sections of the country and socially with that between the rural and the urban segments of the population. The opposition between the interior and the coast can be traced to antiquity; since then the tribesmen and small villagers of the central area and the south have been pitted against the urbanized population of the coastal lowland. The manifestation of this opposition in the mid-1980s lay in the regional distribution of the membership of the PSD and the General Union of Tunisian Workers (Union Générale des Travailleurs Tunisiens—UGTT). On the one hand, most of the party's membership and the country's political leadership came from an axis stretching from Bizerte to Jerba Island, and the peoples of the interior and the south were poorly represented. Trade union membership and leadership, on the other hand, were heavily concentrated in the interior. Hence one encountered a basic geographic division between Tunisia's politicians and wealthy middle class and its small farmers, miners, and shepherds. It was no accident that a preponderance of the political upheavals the country experienced after the mid-1970s originated in the interior or in trade union activity (see *Political Dynamics*, ch. 4).

The second major dichotomy was the generational gulf that separated those under 25 years of age from the generation over 40 years of age. This split had its roots in contemporary demographic reality: more than one of every two Tunisians was under the age of 20. As with the regional dichotomy already noted, this generational division was of enormous economic and political significance. From the point of view of the young, the age-group from 40 to 60 controlled the government and the economic life of the country and monopolized nearly all desirable positions associated therewith. While new positions were being created, they were far too few to satisfy the demands and expectations of those newly arrived on the employment scene. As a result, approximately one-half of the population—overwhelmingly young, often educated, and aspiring to careers in statecraft, business, and commerce—saw itself as excluded from any meaningful role in the country for the indefinite future. Those under 25 increasingly seemed to have little in common with their elders, and the hallmarks of the post-1956 era—independence, Bourguiba, and the PSD—had largely ceased to be relevant to their concerns.

Several factors were at work in Tunisia that helped to perpetuate or to exacerbate these two overriding dichotomies. The first was long-term population pressure. Since the mid-1970s Tunisia's population has been growing at an annual rate of about 2.5 per-



Elderly Tunisian resident of Teboulba in the Sahil



Tunisian housewife in Teboulba



**Tunisian farmer from Menzel Bourguiba in the
Bizerte Plain of the north**



**Farm youngster near Menzel Bourguiba
Photos courtesy John Metelsky**

cent. While this was less than the growth rate of the 1960s and better than in either Algeria or Morocco, it was still quite high, given the meager natural resources and industrial base of the country. Through the mid-1970s the economy barely managed to contain the increase; since then, even that modest accomplishment has been impossible to maintain, despite efforts on the part of the central government to create new jobs.

Directly related to the high birth rate was the rate of unemployment. High by any standard and characteristic of all age-groups and locales, unemployment and underemployment fell especially hard on young people and the poorly educated, running at rates of 20 percent and more among these groups. In many cases the young and the unemployed had despaired of ever finding satisfactory occupations. They survived on the margins of a society that often appeared not to care about them or their welfare, eking out a meager living incommensurate with their hopes, expectations, and education and resentful of the wealth and success of the middle classes and the elite.

Poverty was another source of social and political malaise. It was especially widespread in the center and the south of the country, where the farming potential was limited and industry was non-existent. These regions had long suffered from neglect on the part of economic planners and from a standard of living considerably lower than that of the neighboring Sahil. As a consequence of its destitution, the poverty-stricken hinterland has produced a steady flow of young migrants to the larger towns and cities, to neighboring countries, and to Western Europe. Partly as a result of internal migration, the annual growth rate of the urban population in recent years has been in excess of 4 percent, leading to a severe housing shortage and the relentless extension of slums around Tunis and other urban centers.

Finally, there were the inequalities in the distribution of income and wealth. An enormous gap in income existed between the elite and the middle classes on the one hand and the lower classes and the unemployed on the other. The general consensus in the mid-1980s was that both the differential in incomes and the level of poverty continued to grow. This disparity was well established at the time of independence, but it widened measurably during the 1970s when government-sponsored economic reforms caused an expansion of the middle class and fostered the emergence of a new class of small-scale entrepreneurs and businesspeople. Wealthy upper-class Tunisians benefited disproportionately from public and private sector employment and government spending programs, and they were often accused of corruption, dodging

taxation, using their positions for personal enrichment, and obstructing reforms. The gap in income and wealth between them and the poorer segment of the population played a major role in fomenting the violence that convulsed Tunisia in 1978 and again in 1984.

Social Values

Islam is at the root of the traditional system of values. People's power to influence their destiny or environment is believed to be limited or nonexistent, and the harshness and unreliability of the climate in most of the Muslim world have strengthened this belief among nomadic tribespeople. Even among sedentary people, pestilence and other misfortunes are often attributed to the will of God.

To be respected a person must, above all, be a good Muslim. A believer must publicly profess the faith, pray at established times, and give alms. The strong resistance encountered by Bourguiba in 1960, when he moved to discourage fasting during the sacred month of Ramadan, bore witness to the surviving strength of traditional religious values in modern-day Tunisia. The same could be said of the more recent upsurge of interest and devotion to Islam among the young, the Islamists (see Glossary), and others.

At an early date Tunisia became divided into two cultural regions, and the distinction between these two can still be readily observed. The first one consists roughly of the cities and the coastal rural zone, including the Sahil, and the second one encompasses the rural interior. The differences between these two regions correspond generally to the historical division between settled life and nomadism; and their roots go back to pre-Arab times when Berbers settled in the ancient cities under the suzerainty of Carthaginians or Romans.

In the more remote localities, values associated with tribal life have tended to survive. In the past the people of nomadic tribes were highly individualistic, and tribal and family loyalties were considered values of the highest order. Raids and counterraid were frequent. Tribal warfare was suppressed by the French, and over the years a majority of the nomads either became sedentary farmers or migrated to the cities. Values associated with tribal organization have persisted, however, and probably have contributed to the strong resistance encountered by the government in its efforts to aid landless farmers and to introduce modern farming techniques.

The primordial acceptance of mankind's helplessness and complete dependence on God has been considerably modified in the cities and the coastal plains since early times. City people came to stress intellectual and political acumen, commercial success, and wealth. In the Sahil, whose population came to share values more in common with those of Tunis than with those of the peoples of the interior, town and village life have been marked by a considerable sense of security, right to property, and material progress, and a middle-class value system developed at an early date.

Throughout the nineteenth and early twentieth centuries contact between Tunisia and the Western world increasingly brought modernizing influences, but their full impact came to bear only with the establishment of a large European community and the opening up of opportunities in French universities for significant numbers of Tunisian youth who had attended the already prestigious Sadiki College in Tunis. The emergence of this educated elite left an old social hierarchy badly shaken and had an important influence on the spread of modern values. In part because of its middle-class background and in part because of its intense nationalism, self-confidence, and sense of political security, the new elite lent its wholehearted support to the modernization of society, thus creating an atmosphere of mobility that encouraged many of the less educated and less privileged to adopt the new way of thinking.

During the first years after independence enormous efforts were made to transform attitudes and values and to reduce psychological and social impediments to investments in human resources, such as new schools and hospitals, which far outstripped investment in capital goods. The new values were secular ones, justified not in terms of religious precepts and traditional values but in terms of natural law and rationalism that assumed the probability of material and social progress to an extent that appeared to contradict the traditional Islamic acceptance of man's situation as not susceptible to change. However, there remained a strong emotional attachment to Islam that stressed the cultural rather than the strictly dogmatic aspect of the religion.

In the years that followed, modern values and their reflection of higher expectations made parents highly ambitious for their children. Those still on the fringes of modern society became anxious for their children to become civil servants or teachers, the only modern occupations with which they were familiar. Those better integrated in modern society wanted their children to enter a profession or, perhaps, to become a minister in the government. Education was regarded as the key to achievement of aspirations, and the government's phenomenal success in expanding and improving the

educational system during the 1950s and 1960s made it possible for young people of the 1970s to entertain high educational and occupational goals. High aspirations were the product of the government's encouraging a massive transformation in attitudes and values by creating a shared commitment to modernization.

By the mid-1980s, however, such optimism had been considerably tempered in view of the difficulty of finding professional or white-collar employment in a low-growth economy. Indeed, many young people found themselves in the ironic situation of having benefited from the state education system but of being unable—albeit willing—to repay the social cost of the investment through productive activity. Finding upward channels blocked and their hopes of joining the middle class and the elite thwarted, many young Tunisians had become disillusioned, cynical, alienated from their parents and elders, and contemptuous of the Westernized middle class they formerly had envied.

Rejecting middle-class values and ostentatious display of wealth and seeking alternatives to consumerism and the “get rich quick” ethic of the 1970s, a sizable portion of the younger generation had withdrawn from participation in state functions and political organizations. Instead they had turned to the religious sphere for inspiration, guidance, and self-fulfillment. This movement was especially pronounced among secondary-school and university students who came from the poorer strata of society and who were without real hope of upward social or economic mobility. Hence, there were low levels of participation in state- or party-sponsored student organizations such as the General Union of Tunisian Students (Union Général des Étudiants Tunisiens—UGET) on the university level or the National Organization of Students and Youth (Organisation Nationale de Jeunesse Étudiante) for secondary-school students but ever growing interest in Islamic social and cultural values and adherence to religious organizations. For example, significant numbers of the young were joining the Islamic Tendency Movement (Mouvement de la Tendence Islamique—MTI), which condemned contemporary society as morally depraved and sought to replace it with an Islamic-based society and a strict code of behavior. The MTI drew most of its support from coastal regions, including Tunis, the same locales where the PSD and the middle classes were concentrated. This regional congruence of two fundamentally opposed sets of values accentuated in yet another way the divergence between the older and younger generations that contained the potential for further protests in the future.

The Individual, the Family, and the Sexes

Personal status and interpersonal relations in the Tunisian society were dictated traditionally by the precepts of the Quran and sharia, the Islamic system of law. The Muslim system is a generally stern one, but from an early date it was modified somewhat in Tunisia by relatively liberal attitudes and by a sense of national identity that long predated independence. With the attainment of national independence, moreover, Bourguiba and the political elite who supported him undertook to bring Tunisian society fully into the modern world, and the chief instrument in this respect was the Code of Personal Status, enacted only five months later.

The Code of Personal Status stands as a landmark in Tunisian legislation and possibly as the most remarkable code of conduct ever enacted in a Muslim country. Because it profoundly altered the legal bases for family matters and the status of women, it received strenuous opposition from conservative Islamic elements, but the new educated elite gave it their unqualified support. Moreover, the opposition of the conservative elements was anticipated by the drafters of the code, and the thrust of opposition was blunted by careful retention of traditional Islamic concepts where it was feared that their rejection might arouse too much opposition. Similarly, certain modernizing precepts were not contained in the original code but were added later as amendments.

The code was presented not as a rejection of Islamic teaching but as Islam in modern dress. Moreover, it was offered as something for all Tunisian people, regardless of religion. Previously, the sharia courts had applied only to Muslims; Jews had their own rabbinical courts, and Tunisians who were neither Muslim nor Jewish had been governed by the French Civil Code. This situation continued until late 1957, after which the code's provisions applied to all Tunisians without exception.

Conservative opposition to the code gradually abated, and by the late 1970s its provisions were generally accepted in the cities. Implementation was still far from complete in the more remote parts of the countryside, where the new system was least understood and where attachment to traditional ways was the strongest. But in the Tunisian society in general it was being accepted and was considered a success.

Family and Household

Throughout the Arab world the traditional social unit has been the extended family, a patrilineal grouping headed by a

father and including his wife or wives, their unmarried and married sons with their families, and their unmarried daughters. This family unit consists of a dozen or more members who reside in a single house or in adjoining dwellings with a common courtyard. Property is held in common by the family, which acts as an economic unit. The men work together in joint ventures; all expenditures are defrayed from the common fund.

In Tunisia, however, the intrusion of Western customs and values in the cities during the nineteenth century led to the gradual displacement of the extended family group by the nuclear family, consisting only of the spouses and their unmarried children. The extended family has persisted with greater tenacity in the rural interior of the country, but the policy of the government since independence has been to encourage the nuclear form of family organization at the expense of the extended form.

The 1966 population census indicated that the average family consisted of only slightly more than five members, and fewer than 10 percent of the families included relatives other than spouses and children. Moreover, the census showed that more than 10 percent of the family heads were women, an arrangement that would have been unheard of in traditional Muslim society. Surveys in the early 1980s showed that the ideal family size was six among one-half or more of the urban and rural respondents, a figure that had not changed for two decades. In many cases, however, it remained only an ideal, because nuclear families often numbered seven or more members.

The decline of the extended family, however, has not necessarily meant the corresponding decline of all values and practices associated with it. For example, marriage between close relatives continued to enjoy high esteem, especially in rural areas, although the number of such marriages was decreasing. In one survey about 90 percent of the marriages in a seminomadic community and 60 percent of those among Tunis factory workers were endogamous. In addition, urban working-class neighborhoods were traditionally organized on the basis of kinship, and recent urban migrants have sought to preserve this pattern to the extent that housing shortages permit. Indeed, such a tie often represents the only secure social factor available to them in the highly complex and competitive urban environment.

Although the Tunisian father no longer exercises absolute authority over his children, he is still regarded as the household head, and the relationship between father and son remains a peculiarly important internal family tie. Reserve and formality mark the relationship of the son with his parent, who remains an authoritari-

an figure. Greater informality and an almost conspiratorial friendship marked the relationship between mother and daughter in the extended family, and something of this spirit survives. The mother was traditionally responsible for the care and supervision of sons until they reached the age of about six. A warm relationship developed, but all discipline remained the responsibility of the father, who assumed supervision of older male children.

Children commence their education at home as early as the age of four. Rural daughters help their mothers with household duties, and sons work in the fields and olive groves. Tasks become more difficult as the children grow older, so that youngsters of 12 and 13 are virtually fully prepared for adult work. It is more difficult for sons to assist their fathers when they live in towns, and prominent families even consider this practice inappropriate. The sons, therefore, learn a trade or continue in school. Moreover, education for daughters is increasingly favored, particularly in urban areas. As a result, most girls attend school for at least a few years before marriage.

After independence the guardianship of children was clarified and formalized within the legal system. Under a 1956 law women were considered to be the best guardians for younger children. A listing of preferred relatives for legal guardianship was also established. In 1959 the law was modified to permit the court to appoint the person most qualified. If the father is not appointed guardian, guardianship by the mother or a relative lasts until a boy is seven and a girl nine. The father remains responsible for his children's education and may, upon termination of the mother's guardianship, take the children into his home.

In addition to performing its normal domestic functions, the household frequently serves as a business and labor unit. In villages and oases the household is a cooperative work unit in which animals and land are distributed to and managed by household members. In towns many small businesses, especially those of craftspeople, are family enterprises in which the son is trained by his father and eventually takes over the business from him, a system reminiscent of the traditional guilds of artisans in which membership was handed down from father to son.

The Code of Personal Status struck directly at the patriarchal family system and sought to strengthen the nuclear family by outlawing polygyny and by bringing divorce into the courts. Before the code it had been the husband's unrestricted right to take up to four wives, whom he could divorce at will by repudiation—the traditional Muslim practice whereby the husband could rid himself of an unwanted spouse by saying "I divorce thee" three times before

witnesses. When repudiated, the wife was required to abandon her children and return to her father's household. The code abolished polygyny and gave to wives rights corresponding to those of husbands in seeking court-ordered divorces. The act of marriage became legally a voluntary one rather than the traditional agreement between families. Legal strictures such as these tend to weaken paternalistic authority and control by kin groups while at the same time heightening the emotional commitment between husband and wife and parent and child.

The legal age for marriage was set by the code at 15 years for females and 18 years for males, but a 1964 amendment raised the ages to 17 and 20, respectively. This amendment, which effectively outlawed child marriage, serves as an example of the cautious and gradual manner in which the government's planners sought modernization. Census data show a sharp rise in the percentage of singles between the ages of 15 and 24 over the period from 1956 to 1980. While the mean age at first marriage in 1980 was 22 for women and 27 for men, data for 1978 indicated that the most popular ages for first marriages were 17 for women and 26 for men.

Status of Women

The traditional Muslim cultural pattern, which countenanced polygyny and permitted the maintenance of an unrestricted number of concubines, had the inescapable side effect of placing a high value on masculine virility. Women were restricted to the home and in all ways required to play a subordinate role. The husband held a position of unquestioned authority and moderated all family quarrels. In his absence, authority was delegated not to the wife but to the eldest or best educated son.

The most reliable basis for trust between men was traditionally considered to be kinship, and the ties of friendship, no matter how strong, remained inferior to blood tie. This kinship value, common throughout the Muslim world, probably harked back to the time of tribal existence when all members of the tribe bore a real or ascribed relationship to one another, or at least to a time when all or most of the residents of a village or quarter were related.

Since independence the performance of kinship ties has abated somewhat but is still an important factor governing interpersonal relationships. The tendency to draw a distinction between relatives and friends has led to the survival of behavior patterns sometimes difficult for Westerners to understand. Men are unlikely

to bring their wives to mixed functions that include business associates, and they are even less likely to discuss their families or family life with outsiders.

The subordinate nature of the status of women is spelled out in sharia, although not in the Quran. The status of women, however, has always been somewhat higher in Tunisia than in most other Muslim countries, and with the enactment of the Code of Personal Status their civil status became almost equal to that of men with respect to such matters as inheritance, ownership of property, custody of children, and divorce. Indeed, since national independence the general status of women has undergone a significant transformation, in part because of the provisions of the code. But other factors have also been at work, among them urbanization, increased mobility, industrialization, and new educational opportunities, the same developments that were behind the breakdown of the patriarchal extended family. The altered status of Tunisian women increased the tension and conflict that existed between the sexes, because Tunisian men found it difficult to adjust to the demands of their liberated wives and sisters.

One major goal of Bourguiba and the modernizing elite behind him at independence was to bring Tunisian women out of seclusion and into the modern world. To do this, new laws were passed, and the leadership used the organizations and local cells of the PSD to institute novel concepts about women. In 1956 the party supported the founding of the National Union of Tunisian Women (Union Nationale des Femmes Tunisiennes—UNFT) to give voice to women's problems and aspirations and in general to promote female participation in the political and social life of the country. The organization has served as a useful forum for expression of feminine concerns in employment, health, literacy, and family planning.

Whatever the efforts of the party and the UNFT, women have found it difficult to play roles in public life or to provide high-level administrative leadership. In 1971 there were 83 women town councillors in local town halls, and four women deputies sat in the Chamber of Deputies, a number that rose to seven in 1981. Not until 1985, however, did women gain entry to the top echelons of the government, when two—one of them the wife of Prime Minister Mohamed Mzali—joined the cabinet as minister of family and women's advancement and minister of public health. The gulf in status and achievement between urban and rural women, however, remained wide, and even in the cities women were timid about experimenting with their newly acquired liberty. For example, while urban upper- and middle-class women had largely abandoned Is-



Young brides at a traditional wedding in the south
Courtesy Embassy of Tunisia, Washington

lamic dress, including the veil, it was still worn in villages and rural areas by women who wished to preserve their modesty and live within the strict dictates of Islam.

The change in women's rights and roles has affected almost every aspect of Tunisian life. In terms of marital relations, marriage required the consent of both parties. A woman could not be legally married against her will, and child marriages, popular in the past, were outlawed with the establishment of age minimums for both males and females. It was also permissible for women to marry outside the Muslim faith, but in practice this privilege, along with some other newly won rights, was often difficult to exercise. Polygyny, formerly practiced only by a tiny percentage of Tunisian men, was forbidden, as was the husband's former right to repudiate his wife unilaterally and without recourse to outside authority. Marriages could only be dissolved before a civil court, and wives

exercised equal rights with husbands in divorce proceedings. With passage of the Code of Personal Status, the divorce rate rose dramatically over the next decade, but since the mid-1960s it has leveled off somewhat. Women have initiated a high percentage of these divorces.

Despite traditional preferences for the marriage of cousins and parental selection of prospective spouses, many young Tunisians—especially those who were educated—expected to select their own marriage partners. Young men often expressed a preference for a wife who was educated and who could contribute to the welfare of the family through her own employment. Educated young women also preferred an educated husband and entertained high expectations of their future spouses. Once married, however, spouses sometimes experienced difficulty reconciling expectations with reality, a situation that could lead to frustration, friction, and all too often divorce among newlyweds.

During the years since national independence Tunisian parents have continued to encourage sons far more than daughters to develop modern attitudes and aspirations, but school attendance has had a much more profound modernizing effect on girls than on their brothers. It has provided the primary, and sometime sole, opportunity to develop friendships outside the home and to achieve new self-concepts and aspirations. In the early 1980s girls made up nearly one-half of the students in primary schools and more than one-third of the secondary and vocational school enrollments, and, although male students continued to predominate in higher education, 40 percent of the 40,000 students enrolled in the University of Tunis and other institutions of higher education were women.

Employment outside the home was another realm in which Tunisian women had made significant gains. The prejudice against employment of unmarried women had largely abated, but opinions about married women who worked were at best mixed. According to official figures based on a 1982 survey, some 244,700 women were engaged in full-time paid employment. This represented 7 percent of the total working population and a gain of 76 percent over similar labor statistics in 1977. More than 64 percent worked in administration and services, 14 percent in industry, and 3 percent each in agriculture and in transportation and communications. Female teachers numbered 71,605, whereas women in the medical field totaled 14,897, accounting for 35 percent of both professions.

Some 60,000 women were listed as partially paid laborers, an increase of nearly 57 percent over 1977, while another 37,000 were seeking paid positions. Part-time employment usually meant agricultural work in rural areas or seamstress jobs in cities, mostly

within family enterprises. A large number of widows, divorcees, and unmarried women were found in this category. On the one hand, the sampling showed that the higher the level of education, the more likely a woman was to be employed. On the other hand, it failed to report the sizable amount of unpaid female labor in rural areas and in craft industries that was most often performed in a family setting. According to other government statistics, women constituted about 20 percent of the Tunisian labor force in the mid-1980s (see the Labor Force, ch. 3).

Since the beginning of the 1980s a reaction against the more excessive aspects of postindependence Westernization has slowly been gaining strength at the same time that official commitment to planned social change—including female status—has waned. This reaction was especially popular among Islamic activists, who tended to feel that the emancipation of Tunisian women had come at the expense of the family. As a result of this renewed stress upon Islamic identity, some younger women were beginning to resume the wearing of traditional dress and even to surrender their jobs in order to devote themselves to familial matters. Further, a 1983 survey documented the enduring conservatism among Tunisians with respect to family patterns and male-female roles in the face of three decades of state-sponsored social change. Survey researchers reported that men particularly felt that “women’s status still depends largely on women having children, and their outside employment is considered unimportant or contrary to their primary roles.”

Family Planning

Before independence Tunisia did not have a family planning program. The Quran contains no injunction against birth control, but tradition-minded families, in particular, felt that having large families was in keeping with God’s will. Perhaps more important, in families with limited income, numerous children were considered important for the work they could perform in assisting their parents and as assurances of security for their parents’ old age. In a survey of selected Arab countries in 1965, Tunisia ranked at about the average in crude birth rate. (Arab countries regularly rank among the highest in the world.)

Soon after national independence, however, the new government determined that if Tunisia were to be brought into the modern world, a modern posture toward population control had to be adopted. Birth control measures were legalized in 1961, and in

1964 the government commenced family planning studies with the assistance of several foreign agencies, becoming the first Arab or African country—and only the fifth nation in the world—to adopt an official policy of birth control as a means of spurring socioeconomic development. In 1973 the government provided centralized leadership for already well-established planning activities by establishing the National Office of Family Planning and Population as a semiautonomous agency of the Ministry of Health and by legalizing abortion during the first trimester of pregnancy.

Between 1966 and 1976 the average number of births per woman fell from 7.1 to 5.7, a significant decline, but over the next five years the fertility rate edged down only to 5.2. By 1981 there were 726 local centers, 20 regional centers, five clinics, and 50 mobile teams administering the family planning program nationwide. The percentage of married women aged 15 to 49 using traditional or modern contraceptive methods rose from 3.2 percent in 1966 to 41 percent in 1983; intrauterine devices and birth control pills were the most widely used techniques.

On the surface, Tunisian family planning seemed to be relatively successful, yet a number of problems had come to the fore by the early 1980s. The availability of services varied widely, and most women using them lived in urban, not rural, areas. There was concern that the fertility rate appeared to have leveled off after an initial period of decline, and in searching for the cause, researchers found that the decrease in fertility was attributable largely to marriage at somewhat later ages rather than to application of birth control techniques. Further, while births were fewer among women in the 15-to-25 age bracket, once married they tended to make up for this deficiency, with the result that the total fertility rate remained almost unchanged. Researchers also discovered that the decline in births was matched by a fall in the overall death rate because of improved health care, so the rate of natural increase in Tunisia's population—birth minus deaths—scarcely varied from about 2.7 percent from 1967 to 1982. At that rate of growth, the population would double in less than 30 years, considerably sooner than government projections.

One of the most important obstacles to population control was a general lack of commitment on the part of the people. Men in particular continued to have trouble accepting any role for women other than as wives and mothers. The burden of family planning thus fell to women, many of whom expressed an interest in the concept but found it difficult to persevere in the face of opposition from their husbands or of suspected health risks. Another problem was that women often resorted to contraception only after having

borne several children, using it to stop births rather than to space them.

But there was cause for at least some optimism. The government's commitment to family planning remained strong, and plans were afoot to encourage wider participation. Demographic planners were encouraged by the lower infant mortality rates; the inclination to marry at a slightly older age, reinforced by education and urbanization; an ideal of four children per family, although couples often had more; and the popularity of the nuclear family. The age structure of Tunisia's population, however, of which 40 percent or more were under age 15 in the early 1980s, argued in favor of continued high population growth for the foreseeable future.

Religious Life

In the mid-1980s virtually all Tunisians who professed the Muslim faith were Sunnis adhering to the Malikite rite. The only exceptions were about 40,000 Berber-speaking Ibadi on Jerba Island, who kept austere Kharidjite beliefs (see *Islam and the Arabs*, ch. 1). In recognition that Tunisia was a Muslim country, the preamble to the Constitution opened with the invocation "In the name of God, the Compassionate, the Merciful" and proclaimed that the Tunisian people were resolved "to remain faithful to the teachings of Islam." Article 1 stated that Islam was the official religion of the republic, and a subsequent provision required that the chief of state be a Muslim. Since independence, however, the Tunisian government has been decidedly secularist in its orientation, attempting to divorce Islamic practices from the country's political life. The Constitution also guaranteed free exercise of conscience to all Tunisians and allowed all residents freedom of worship.

The Christian community, composed mainly of Roman Catholics among French and Italian expatriates, numbered less than 30,000 in the mid-1980s. Before independence, there were about 300,000 communicants residing in Tunisia, and many churches were converted to mosques after their departure.

Tenets of Islam

In A.D. 610 Muhammad (later recognized as the Prophet), a merchant belonging to the Hashimite branch of the ruling Quraysh tribe in the Arabian town of Mecca, began to preach the first of a series of revelations granted him by God through the angel Gabri-

el. A fervent monotheist, Muhammad denounced the polytheistic paganism of his fellow Meccans. Because the town's economy was based in part on a thriving pilgrimage business to the shrine called the Kaabah and numerous pagan religious sites located there, his vigorous and continuing censure eventually earned him the bitter enmity of the town's leaders. In 622 he and a group of followers were accepted into the town of Yathrib, which came to be known as Medina (the city) because it was the center of Muhammad's activities. The move from Mecca, or hijra, also known as the hegira, marked the beginning of the Islamic era and of Islam as a force on the stage of history. The Muslim calendar, based on the lunar year, thus begins in 622. In Medina, Muhammad continued to preach, eventually defeated his detractors in battle, and consolidated both the temporal and the spiritual leadership of all Arabia in his person before his death in 632.

After Muhammad's death his followers compiled those of his words regarded as coming directly from God into the Quran, the holy scriptures of Islam; others of his sayings and teachings and precedents of his personal behavior, recalled by those who had known him during his lifetime, became the hadith. Together they formed the Sunna, a comprehensive guide to the spiritual, ethical, and social life of the orthodox Sunni Muslim.

The *shahadah* (testimony, creed) succinctly states the central belief of Islam: "There is no god but God (Allah), and Muhammad is his Prophet." This simple profession of faith is repeated on many ritual occasions, and recital in full and unquestioning sincerity designates one a Muslim. The God preached by Muhammad was not previously unknown to his countrymen, for Allah is Arabic for God rather than a particular name. Rather than introducing a new deity, Muhammad denied the existence of the many minor gods and spirits worshiped before his ministry and declared the omnipotence of the unique Creator. God is invisible and omnipresent; to represent him in any visual symbol is a sin. Events in the world flow ineluctably from his will; to resist it is both futile and sinful.

Islam means submission (to God), and one who submits is a Muslim. Muhammad is the "seal of the prophets;" his revelation is said to complete for all time the series of biblical revelations received by the Jews and the Christians. God is believed to have remained one and the same throughout time, but people had strayed from his true teachings until set aright by Muhammad. Abraham, Moses, and Jesus (known in Arabic as Ibrahim, Musa, and Isa, respectively) are recognized as prophets who were inspired vehicles of God's will. Islam, however, reveres only the message as sacred, rejecting Christianity's deification of the messenger Jesus. It ac-

cepts the concepts of angels, the Day of Judgment, general resurrection, heaven and hell, and eternal life of the soul.

The duties of the Muslim form the five pillars of the faith. These are the recitation of the *shahadah*, daily prayer (*salat*); almsgiving (*zakat*); fasting (*sawm*); and hajj, or pilgrimage. The believer is to pray in a prescribed manner after purification through ritual ablutions each day at dawn, midday, midafternoon, sunset, and nightfall. Prescribed genuflections and prostrations accompany the prayers, which the worshiper recites facing toward Mecca. Whenever possible men pray in congregation of the mosque with the imam, or prayer leader, and on Fridays are obliged to do so. The Friday noon prayers provide the occasion for weekly sermons by religious leaders. Women may also attend public worship at the mosque, where they are segregated from the men, although most commonly those who pray do so at home. A special functionary, the *muadhhdhin*, intones a call to prayer to the entire community at the appropriate hour; those out of earshot determine the proper time from the sun.

In the early days of Islam the authorities imposed a tax on personal property proportionate to one's wealth; this was distributed to the mosques and to the needy. In addition freewill gifts were made. Almsgiving, however, although still a duty of the believer, has become a more private matter. Many properties contributed by pious individuals to support religious and charitable activities, or institutions, were traditionally administered as an inalienable endowment, called *habus* in the Maghrib.

The ninth month of the Muslim calendar is Ramadan, a period of obligatory fasting in commemoration of Muhammad's receipt of god's revelation, the Quran. Throughout the month all but the sick, the weak, pregnant women, soldiers on duty, travelers on necessary journeys, and young children are enjoined from eating, drinking, smoking, and sexual intercourse during daylight hours. Those adults excused are obliged to endure an equivalent fast at their earliest opportunity. A festive meal breaks each daily fast and inaugurates a night of feasting and celebration. The pious well-to-do usually do little or no work during this period, and some businesses close for all or part of the day. Because the months of the lunar calendar revolve through the solar year, Ramadan falls at various seasons in different years. Though a considerable test of discipline at any time of year, a fast that falls in summertime imposes severe hardship on those who must do physical work. Frayed tempers and poor work performance, concomitants of the fast, were an early cause of concern to the Bourguiba regime.

At least once in their lifetime all Muslims should, if possible, make the hajj to the holy city of Mecca to participate in special rites held there during the twelfth month of the lunar calendar. The Prophet instituted this requirement, modifying pre-Islamic custom, to emphasize sites associated with Allah and with Abraham, founder of monotheism and father of the Arabs through his son Ishmael (Ismail). Once in Mecca pilgrims from all over the world, dressed in white seamless garments called *ihram*, abstain from sexual relations, shaving, haircutting, and nail paring for the duration of the hajj. Highlights of the pilgrimage include kissing the sacred black stone; circumambulating the Kaabah, the sacred structure reputedly built by Abraham that houses the stone; running seven times between the hills of Safa and Marwa in imitation of Hagar, Ishmael's mother, during her travail in the desert; and standing in prayer on the Plain of Arafat. The returning pilgrim is entitled to the honorific haji before his name. Id al Adha, a major festival celebrated worldwide, marks the end of the hajj month.

The permanent struggle for the triumph of the word of God on earth, the jihad, represents an additional duty of all Muslims. Although this has been used to justify holy wars, modernist Muslims interpret the concept in a broader context of divine and personal action. The Bourguiba regime has encouraged this outlook. In addition to specific duties, Islam imposes a code of ethical conduct encouraging generosity, fairness, honesty, and respect and forbidding adultery, gambling, usury, and the consumption of carrion, blood, pork, and alcohol.

Early Development of Islam

During his lifetime Muhammad held both spiritual and temporal leadership of the Muslim community; he established the concept of Islam as a total and all-encompassing way of life for people and society. Islam teaches that Allah revealed to Muhammad the immutable principles governing decent behavior, and it is therefore incumbent on the individual to live in the manner prescribed by revealed law and on the community to perfect human society on earth according to the holy injunctions.

After Muhammad's death the leaders of the Muslim community consensually chose Abu Bakr, the Prophet's father-in-law and one of his earliest followers, to succeed him. At that time, some persons favored Ali, the Prophet's cousin and husband of his daughter Fatima, but Ali and his supporters recognized the community's choice. The next two caliphs, Uman and Uthman, enjoyed

the recognition of the entire community, although Uthman was murdered. When Ali finally succeeded to the caliphate in 656, Muawiyah, governor of Syria, rebelled in the name of his kinsman Uthman. After the ensuing civil war Ali moved his capital to Baghdad, where a short time later he too was murdered.

Ali's death ended the last of the so-called four orthodox caliphates and the period in which the entire Islamic community recognized a single caliphate. Muawiyah then proclaimed himself caliph from Damascus. Ali's supporters, however, refused to recognize Muawiyah or his line, the Umayyad caliphs; they withdrew in the first great schism and established a dissident sect known as the Shias (or Shiites)—the party of Ali—in support of the claims of Ali's line to a presumptive right to the caliphate based on descent from the Prophet. The larger faction of Islam, the Sunnis, claims to follow the orthodox teaching and example of the Prophet as embodied in the Sunna.

Originally political in nature, the differences between Sunni and Shia interpretations rapidly took on theological and metaphysical significance. Ali's two sons, killed in the wars after the schism, became martyred heroes to the Shias and repositories of the claims to Ali's line to mystical preeminence among Muslims. The Sunnis retained the doctrine of leadership by consensus, although Arabs and members of the Quraysh, Muhammad's tribe, predominated in the early years. Reputed descent from the Prophet still carries great social and religious prestige throughout the Muslim world. Meanwhile, the Shia doctrine of rule by divine right became more and more firmly established, and disagreements over which of several pretenders had the truer claim to the mystical power of Ali precipitated further schisms. Some Shia groups developed doctrines of divine leadership far removed from the strict monotheism of early Islam, including beliefs in hidden but divinely chosen leaders whose spiritual powers equaled or surpassed those of the Prophet himself.

The early Islamic policy was intensely expansionist, fueled both by fervor for the new religion and by economic and social factors. Conquering armies and migrating tribes swept out of Arabia, spreading Islam with the sword as much as with suasion. By the end of Islam's first century Islamic armies had reached Asia and North Africa, occupying present-day Tunisia in 670 (see *Islam and the Arabs*, ch. 1).

Although Muhammad had enjoined the Muslim community to convert the infidel, he had also recognized the special status of the "People of the Book," Jews and Christians, whose own revealed scriptures he considered perversions of God's true word but never-

theless in some sense contributory to Islam. These peoples, approaching but not yet having achieved the perfection of Islam, were known as dhimmis and were spared the choice offered the pagan: conversion or death. Jews and Christians in Muslim territories could live according to their own religious laws and in their own communities if they accepted the position of tolerated subject peoples. This status entailed recognition of Muslim authority, additional taxes, prohibition of proselytization among Muslims, and restrictions on political rights.

Islamic Institutions

Islam is a comprehensive religion that played an all-encompassing role in a traditionally oriented Muslim society such as that existing in Tunisia before its independence. As traditionally constituted, therefore, Islam is far more than a creed. It is a way of life, the ramifications of which affect political, economic, and social behavior and cultured outlook as well as religious belief and individual morality. For the devout believer, the dichotomy between the sacred and the secular is a specious one, and to accept it bespeaks a failure of religious commitment.

In keeping with this concept of society, all Muslims have traditionally been subject to sharia (Islamic jurisprudence, but in a larger sense meaning the Islamic way). A comprehensive legal system, sharia developed gradually during the first four centuries of Islam, primarily through the accretion of precedent and interpretation by various judges and scholars. Within this context, several rites, or systems of interpreting sharia, had developed in accordance with the interpretations. The form adopted in Tunisia and in the rest of the Maghrib was that of the Malikite rite derived from the teaching of the eighth-century scholar Malik Ben Abas. Its outstanding feature was that the interpretation resisted expansion or revision of revealed texts. During the tenth century legal opinion began to harden into authoritative doctrine, and the figurative *bab al ijtihad* (gate of interpretation) gradually closed. Thenceforth, rather than encouraging flexibility, Islamic law emphasized maintenance of the status quo.

The Muslim's relationship to God is personal and direct. The Quran does not recognize the evidence of clergy or other intermediaries. Those who lead prayers, preach sermons, and interpret the law do so by virtue of their superior knowledge and scholarship in the community that they serve rather than because of any special powers or prerogatives conferred by ordination. Furthermore, there

is no Muslim "church" in the conventional Western understanding of that term.

Although a formal ecclesiastical organization is absent in Islam, a variety of officials perform many of the duties usually associated with a clergy. One particularly influential group, the *ulama*, interpreted and administered Islamic law in urban centers that under their leadership became the strongholds of orthodox, Quranic Islam. In Tunisia they were often graduates of the Zituna Mosque school and also taught there. In the courts the *qadis* (judges) heard cases in accordance with sharia, and difficult legal questions were referred to the even more learned muftis. The mufti of Tunis presided over the sharia court until the system was abolished in 1956.

The title of imam can have many meanings. Informally, it is conferred on the leader of the prayer ritual. So used, anyone can be an imam. In a more formal sense, it refers to a paid official who is in charge of a mosque, collects its revenues, leads the prayers, and delivers the weekly sermon. He also serves as a consultant on points of Islamic law and is called on to officiate at religious functions, marriages, and funerals. When the mosque is used as a Quranic school, the imam is the teacher. In the larger urban mosques, the imam might be highly respected as a figure of learning and distinction. The typical village imam, however, has had at most a few years of schooling, and his scholarship is usually exhausted by the reading of prayers, passages from the Quran, and prepared sermons. According to custom, the imam held office by the consensus of the community, but in practice the position often became hereditary. In Tunisia, imams are paid by the state, and the government prescribes topics of sermons to be preached.

Popular Islam and Folk Beliefs

Popular Islam is based overwhelmingly on oral tradition; however limited their formal education, it is not uncommon for an imam—to say nothing of blind storytellers who travel from village to village—to memorize the entire Quran. Religious tales are told and retold at village festivals as well as at the individual villager's rites of passage. The basic tenets are deeply held; everyone believes there is no god but God and Muhammad is his Prophet; everyone wishes to make the pilgrimage to Mecca; Ramadan fasting is commonly observed; and almsgiving is an integral part of the village rituals and celebrations. There is a strong fatalistic component to popular Islam, a sense that all is the will of God and to

seek to avoid misfortune is only to kick against the goad and invite worse affliction. Monotheism merges with a belief in magic and spirits.

Although Islam preaches the unique majesty of God and the equality of all believers before him, a heterodox North African view has for centuries entailed a belief in the coalescence of special spiritual powers in particular human beings. This special charisma is known as *baraka*, a transferable quality of personal blessedness and spiritual force said to reside in certain individuals.

The human being to whom God granted the most powerful *baraka* is said to have been Muhammad. Its possession was also ascribed, however, to holy men or saints known as marabouts, whose claims to the possession of *baraka* could be substantiated through performance of apparent miracles, exemplary spiritual insight, or genealogical connection with a recognized earlier possessor of *baraka*.

Tunisian marabouts at one time were highly influential, particularly in the countryside, but in the postindependence period they continued to function only in a few of the more remote localities in the central and southern parts of the country. Previously, however, their religious prestige made them useful as arbiters of disputes between families or tribal groups. They built centers, called *zawayiate*, that combined the functions of school, living quarters for the marabouts, and—ultimately—the tombs of the holy men. Although the French government was tolerant toward the marabouts, their religious role was never approved by the regular religious authorities during the colonial period, and the government of independent Tunisia has been unsympathetic toward them.

Marabouts were the most frequent, though by no means the only, founders of brotherhoods, religious fraternities in which membership was formerly widespread. The members of each group followed a common discipline called *tariqah* (path) in the pursuit of further closeness to God. The teachings of the founder were carried on by his disciples after his death, and the brotherhoods achieved considerable political and social prominence. Certain forms of popular worship were identified with them. The brotherhood system had commenced to decline even before independence and, like the system of marabouts, was not encouraged by the postindependence government.

A few folk beliefs and customs, probably pre-Islamic in origin, persist in modern Tunisia, particularly among the poor and in the more remote parts of the countryside. Some of these concern evil spirits called djinns, which frequently take the guise of animals such as snakes. Wearing verses from the Quran on an amulet is

believed to provide protection against these creatures. The evil eye is widely feared, but according to belief it can be warded off by holding out the fingers of the right hand. Certain stones are believed to have magic properties; a bloodstone, for example, is considered useful in preventing a toothache. The imam himself may be the source of the charms.

Folk beliefs are dying out with the spread of public education and the general modernization of society. They remained widespread enough at the time of independence, however, for Bourguiba to devote part of an important speech to denouncing belief in the evil eye, avoidance of the numbers 10 and 15, and the custom of tossing bits of meat into dark corners to placate the djinns. Tunisians were urged by Bourguiba to discard these outmoded ideas, which were unworthy of a monotheistic religion such as Islam.

Islam in Contemporary Tunisian Society

Both as a nationalist leader opposing the French protectorate and as the president of an independent country imposing modernization on a sometimes reluctant population, Bourguiba regularly invoked the precepts of Islam in his public exhortations. To the masses, he explained proposed reforms that were offensive to observant Muslims as a defense of Islam "by modern means." In the same series of legislation shortly after independence by which the sharia courts were abolished and replaced by a uniform legal code based on secular norms, the Code of Personal Status also was introduced, which drastically altered family law and paved the way for the legal emancipation of women. Family planning was encouraged and abortion legalized. Religious endowments in the form of *habus* land, inalienable according to Muslim tradition, were nationalized and absorbed into state farms. The famous school of the Zituna Mosque was made a faculty of the University of Tunis, subject to regulation by the government.

Bourguiba blamed the backwardness of Tunisian society and the stagnation of its economy on the influence of traditional Islam. Tunisia might be a Muslim country, but in Bourguiba's vision of its future it would be a secular state that rejected "any fanaticism that is the product of centuries of ignorance and obscurantism." He strictly prohibited the incorporation of any religious elements into the ruling party and refused to permit any group from attempting to promote a political program based on Islam. Despite the official status accorded Islam, religion was to be a private

matter for those who cared to observe it. Although Islamic studies was a required subject in the primary and secondary schools, there could be no question that the education system to which the regime committed a large share of the national budget was supposed to advance the secularist outlook that characterized Bourguiba's attitude and that of the party elite to the country's youth.

French sociologist Jacques Berque defined Bourguiba's objective as being the "desacrilization" of Tunisia, by which he explained that Bourguiba intended to end Islam's undifferentiated role in a modernized Tunisian society and to force its withdrawal from all activities except that of leading the country at prayer, allowing the state to preempt all those other functions that Islam performed in a more traditional society. Even prayer, Bourguiba acknowledged on one occasion, was useful for developing a sense of national unity, and, in the years following independence, the government financed the opening of hundreds of new mosques. The imams who cared for them and for other mosques were licensed and paid by the state and often provided with the text of the sermons they were to deliver. Those who refused to cooperate or who spoke against the policies of the government were systematically deprived of access to mosques.

The aim of "desacrilization" was incompatible with the beliefs of observant Muslims and the traditional practices of Islam. Bourguiba suffered a major setback in his plans to modify customs and attitudes that to his mind stood in the way of modernization when, in 1960, he urged his countrymen to dispense with the month-long fast of Ramadan. He argued that religious observance should not be an obstacle to the country's development and that workers should abstain from fasting if it impaired their productivity, which invariably it did. But Bourguiba framed his appeal in religious terms by proclaiming a jihad against economic underdevelopment and explaining that—like warriors in a holy war—workers should thereby be excused from fasting. Public employees and students were ordered to keep their schedules, and restaurants were kept open during the day for those who wished a meal. Denouncing the "debauchery" that followed the hours of fasting, he likewise closed those establishments where allnight feasting and entertainment took place.

Observance of Ramadan was lax among the Westernized elite, who often flaunted their nonobservance at sidewalk cafés, but the overwhelming majority of Tunisians disregarded Bourguiba and maintained the fast. Most also ignored the scientific determination of the lunar calendar substituted by the government for the tradi-

tional method of reckoning the beginning of Ramadan, thus putting the popular observance of the fast at odds with the official date.

It has been noted that the practice of Islam had always been less rigorous in Tunisia than elsewhere in the region and that the bourgeois values of an important element in Tunisian society had never satisfactorily accommodated those of traditional Islam. Superficially at least, the intermingling of French with Arab culture had worked its way relatively far down the socioeconomic scale in the cities, where it was reflected in language and dress. Sympathetic Western observers commented approvingly in the late 1950s and 1960s of the impressive strides made by the Bourguiba regime in sweeping away the barriers to modernization set up by custom and tradition. Outside the small but very conspicuous circle of a Westernized elite, however, the secularism that it promoted had not struck roots, even among the young who were supposed to be the beneficiaries of modern education, economic growth, and a liberalized social environment that had dispensed with the strictures of Islam. Beneath the surface traditional values persisted or awaited renewal.

By the early 1970s it was evident that an Islamic renewal was underway in reaction to official secularism and that it was gaining considerable support, particularly among the educated youth of the country. The Islamist movement sought to reassert religious influence in areas from which the regime had attempted to exclude it, including the political process. Islamists, popularly referred to by Western sources as fundamentalists, decried the identification of modernization, which they did not generally oppose, with Westernization, which they blamed for the alleged decline of moral values in Tunisian society.

The earliest form of popular protest to what Islamists regarded as the regime's trifling with religious practices came from groups organized by the devout to determine the beginning of Ramadan by traditional methods. The impetus for a more intellectually oriented Islamic renewal came from the activities of the Society for the Preservation of the Quran. Branches of the society had existed in most cities for many years, but after 1970 its membership grew impressively, attracting young people who felt that their secular education had neglected their spiritual heritage as Muslims. Among those who joined the Society was Rachid Ghanouchi, later to be regarded as the ideological leader of the Islamist movement and its principal spokesperson.

The society was able to put some pressure on the government to give more attention to Islamic studies in the state-run schools, emphasizing an expanded understanding of scripture rather than

the rote memorization of passages from the Quran, as had been the practice in traditional religious schools. Reform and improvement in the quality of religious education advocated by the Society remained one of the principal aims of Islamic renewal in Tunisia. The Society's supporters denied charges by opponents that they wanted to repeal secular laws, admitting only that they were seeking "a more Muslim society."

An even more important contribution to the Islamic renewal that blossomed in the 1970s was made by informal seminars that were held by the Islamists in various mosques, most prominently the Sidi Youssef Mosque in Tunis. Early participants were teachers, students, and graduates active in the professions, who were influenced by the lectures of theologian Ahmed Ben Miled. The seminars were often led by graduates of the Zituna Mosque school and by others who had studied abroad, particularly at Al Akzar University in Cairo. Among these were Ghanouchi and Abdelfattah Mourou. The seminars concentrated on building ideological awareness by methods that systematically analyzed Western concepts offered by secular education, attempted to demonstrate the superiority of Islamic concepts, and offered Islamic alternatives.

The Islamic renewal spurred by the activities of the Society for the Preservation of the Quran and the mosque seminars soon went beyond concern for religious observance and education. The seminars eventually focused on a vision of creating an Islamic order in Tunisia. In rejecting both Marxism and liberal capitalism, the Islamists also rejected conventional secular analyses of their country's socioeconomic problems. Poverty and underdevelopment, they argued, were the consequences of spiritual failures—religious laxity, secularism, and the like—and the solutions lay in a return to the simplicity of Muslim community life, cooperativeness, austerity, hard work, and piety.

The Islamist movement, in which Ghanouchi and Mourou have played leading roles, has been described as being "integrist" in that its primary concern has been to integrate Islamic values into every aspect of national life, including the political process. The Tunisian Islamists took inspiration from the Islamic revolution in Iran in 1979 because it demonstrated the power latent in Islam to mobilize a population but accepted neither its methods nor its aims. The two countries, they noted, had different spiritual traditions and historical experiences, and they were careful to draw a distinction between their movement and that of the Iranian leaders.

Although it sought support from a broad constituency, the Islamist movement was essentially academic in character and orientation. The vanguard of the movement was largely composed of

teachers who had built followings in the mosque seminars among students and recent graduates of the university and the secondary schools. Support for the movement was therefore strongest in Tunis and other large cities that had faculties of the university and advanced schools and weakest in the smaller provincial towns where political control by the regime was tighter. The Islamists considered the University of Tunis, where they had ousted the leftists from control of student organizations during the 1970s, as "our stronghold." Identification with the movement was particularly strong among science and engineering students, who as a group were considered academically the most gifted. These students, who made up the movement's core, were typically from rural families and the lower rungs of the urban population and were among those who would seem to have benefited most from Bourguiba's program to expand educational opportunities. A great percentage were the first in their families to receive an education. The movement also attracted large numbers of well-educated women, many from the middle class, whose emancipation had also been one of Bourguiba's most important goals.

The effects of the movement were manifested in renewed sensitivity toward religion in the population at large and a greater respect for Muslim customs on the part of government authorities. Attendance at mosques for prayer noticeably increased. In the late 1970s a survey among university students who were the products of a secular education indicated that over half considered themselves "very" or "rather religious" and 30 percent "somewhat religious," while about 60 percent observed the fast strictly during Ramadan. Later polls showed that the considerable rise in the number of Tunisians admitting to personal religious attachments, to being religiously observant, and to holding respect for the imams was found to have grown at the same rate among all classes, age-groups, and levels of education.

Several theses have been advanced to explain the apparent interest, particularly among students and other young people, in the movement for Islamic renewal. The thesis drawn from economic considerations explained that students for whom education was no longer a guarantee of employment were resentful of the Westernized elite who had graduated in the 1960s and were secure in jobs that were being denied the next generation. A political thesis spoke of young Tunisians who were disillusioned with Bourguiba's secular nationalism, Marxism, and Pan-Arabism, all of which were foreign imports, and who had filled the void with Islamic nationalism. A third thesis emphasized the psychological effects of their disappointment with secular values, which led them to look to religion

as a refuge from despair. In each thesis, Islam was also seen as providing a way out of the political, economic, and social malaise that they perceived. Many students reported that the price of receiving a modern education and being accepted in a secular environment had been the repudiation of their own origins and heritage. Ghanouchi, for example, said that he had been made to feel like a stranger in his own country and yearned for an identity that he could find only in Islam.

The first highly visible manifestation of the Islamist discontent that was centered in the university was the dramatic appearance of a young female instructor, dressed in traditional garb, on a nationally televised program marking the beginning of Ramadan in 1975, during which she challenged government policies in the presence of Bourguiba and then-Prime Minister Hedi Nouira. Unrest grew at the university, where Islamist students clashed with leftists. Violent confrontations with police also occurred at religious observances. In a widely reported incident in 1981 that was seen as a challenge to the government, a state-run tourist hotel was attacked by Islamists, who had frequently decried the demeanor of foreign vacationers as offensive to Muslim sensitivities. Tourism, which was an important element in the government's development plans, was regarded by Islamists as an unwholesome intrusion.

As an expression of their sympathy for the Islamist movement, many male students began to go unshaven, and many university women took to wearing the *hijab*, a traditional headdress that Bourguiba had barred from the schools many years before. It was understood, however, that many of the women who identified with the movement also acknowledged that they did not wish to see rescinded the laws that had allowed their legal emancipation. Nor did they feel that wearing the *hijab* was necessary for a woman to be a good Muslim. It was an option that was as much a sign of protest against the government and solidarity with other students as it was an expression of piety.

Government authorities tended to minimize the influence of the religious renewal. It was a transitory phenomenon, they explained, which by the mid-1980s had already peaked within the student community and had had little real impact outside the university. They were attempting to rebuild bridges to students in the university whom they expected would join the mainstream once they had begun their careers. Members of the university faculty, however, including some who were not identified with the Islamist movement, did not dismiss its continuing influence among students so lightly and believed that the Islamic renewal would remain an

important factor at the university and in the country (see Opposition Groups, ch. 4).

Education

The administration of Tunisia's primary and secondary education system in the mid-1980s was highly centralized under the Ministry of National Education. The ministry had overall responsibility for the formulation and implementation of the government's education policy and for the supervision of curricula, teaching, and maintenance of facilities. The minister, a cabinet-rank official, was assisted by a permanent director general of the ministry, who coordinated the work of directorates supervising each level of instruction. Local officials in each governorate oversaw the day-to-day operation of schools in their jurisdictions but were directly responsible to the ministry in Tunis. Higher education was administered by the Ministry of Higher Education and Scientific Research. Other ministries also sponsored specialized schooling, either independently or in collaboration with the two ministries involved primarily with education.

The Tunisian school system was modeled on the French system and offered a uniform curriculum at each level in schools across the country. These consisted of a six-year primary-level cycle that was followed at the secondary level by a three-year comprehensive cycle and a four-year cycle of specialized academic or technical education. Paralleling the latter was a three-year vocational cycle intended to prepare students for employment as skilled workers. Higher education was provided by the University of Tunis, which had branches in several cities, and by university-level advanced schools.

The 1958 basic law of education, although subsequently amended, remained the legal foundation for Tunisia's education system. The law specified that public education was tuition free at all levels and that, although schooling beyond the age of 12 was not mandatory, equal access to education should be ensured to all regardless of gender, class, or ethnic background. All schools at the primary level and most secondary schools were coeducational in the mid-1980s.

Private schools, which accounted for only about 2 percent of primary- and secondary-school enrollment, had to be approved by the Ministry of National Education and had to conform to the ministry's regulations on curriculum and staffing. Most private schools were operated under the auspices of Muslim groups and were locat-

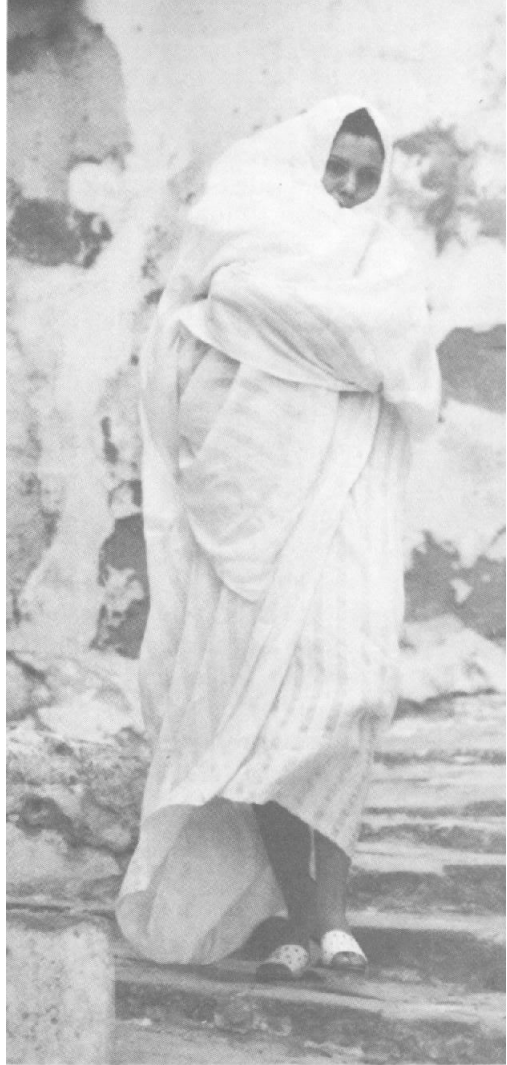
Tunisia: A Country Study

ed in the Tunis area. Several schools were also conducted by Roman Catholic religious orders. All were financed chiefly by their sponsoring bodies and by tuition fees, although most also received some government assistance. In addition, the French University and Cultural Mission, a section of the French embassy, operated primary and secondary schools for the children of French nationals resident in Tunisia. A large part of their enrollment, however, was composed of Tunisian students.

Modern education was introduced in Tunisia at the Sadiki College, founded by Kherredin Pasha in 1875 on a European model to train candidates for the civil service. Before that date, education beyond elementary instruction in Arabic and in the Quran was restricted to traditional religious schools (*madrassahs*), where at different levels teachers, prayer leaders, and Islamic judges studied theology, philosophy, law, and literature. The most important center of Islamic scholarship was at the Zituna Mosque school in Tunis. The Khalduniya Institute, established in 1896, attempted to combine instruction in modern subjects with traditional Islamic education. Under the French protectorate, the French school system was transplanted to Tunisia. Although intended primarily to provide education for Europeans, French schools also accommodated a limited number of Tunisian students. There was no corresponding development of modern Arabic-language education (see Economic and Social Development; Rise of Nationalism, ch. 1). At the time of national independence, less than one-quarter of Tunisian children were in primary schools, and under 5 percent of the school-age population had been exposed to modern secondary education. The 1958 law integrated the various kinds of schools then operating into a unified and essentially secular school system.

The government of newly independent Tunisia regarded an expanded and improved education system as the precondition for its transformation into the modern state envisioned by Bourguiba. Education was officially viewed as the primary vehicle for effecting social change and the basic ingredient for economic development. The stated aim of the government's vigorous educational expansion program in the late 1950s and 1960s was to provide trained personnel to replace departing Europeans in government offices, schools, public services, and the professions and also to create an educated work force to fill new jobs in a rapidly growing economy. But the schools were also expected to forge great national unity by instilling respect for the ruling party and by affirming Bourguiba's personal role in leading the country to independence. By implication, the modernization of the country through education was also expected to promote the secularization of its society.

Young woman of Tunis dressed
in the traditional white hijab
Courtesy Jack and Micaela Mendelsohn



Emphasis in education policy was initially put on quantitative development in the terms of the number of schools built, teachers trained, classrooms added, and the increase in the number of students enrolled to fill them. By 1970 approximately 70 percent of all children in the 6-to-12 age bracket were receiving primary schooling, and 20 percent of those in the appropriate bracket were students in secondary and vocational schools. Gains in enrollment were particularly impressive among females, who composed nearly 40 percent of the total number of students enrolled at all levels. Increased opportunities for the education of Tunisian women had been a matter of particular concern for Bourguiba.

Quantitative improvement in the schooling rate during the 1960s, however, had been achieved in part by shortening the school day in order to permit double shifts. The output of teachers was increased so rapidly to meet the needs of expanding enroll-

ments that many were introduced into the classroom before being fully qualified. Likewise, the labor market experienced difficulty in absorbing the larger number of graduates being turned out. In the early 1970s, therefore, the government reached a decision that may have been unique in the annals of education in developing countries. Enrollments at the secondary level were stabilized and, in some cases, deliberately cut back. This was accomplished by restricting the number of times that a student was permitted to repeat grades and by raising academic admission standards for secondary schools. No corresponding budget reductions were made, however, and reforms were publicized as marking a shift in emphasis from quantitative to qualitative improvement in education. Greater attention was placed on technical education, for instance, and on providing vocational training in marketable skills. Steps were also taken to improve the quality of teacher education, producing fewer but better-trained primary school instructors. Unqualified teachers were upgraded through in-service training classes or were reassigned as social workers.

Despite the reorientation from a primary concern with quantitative development toward higher quality education in the 1970s, the number of children attending primary schools had risen to more than 90 percent of those in the 6-to-12 age bracket by the mid-1980s. More than 30 percent of the total in the 13-to-19 age bracket were enrolled in secondary schools. In addition, about 6 percent of those in the 20-to-25 age bracket were receiving some form of higher education. But response to expanded opportunities for vocational training at the secondary level had been disappointing, and, because of increased competition for admission to academic and technical tracks in secondary schools, reforms may have discriminated against students from rural and lower socioeconomic backgrounds. Enrollment was also unevenly distributed; much higher schooling rates were found in the Tunis area and in the Sahil than in other parts of the country. Parents, particularly in rural areas, were still much more likely to withdraw their daughters than their sons from school.

In addition to tuition-free education, the state also provided books for all students, as well as other school supplies, clothing, and meals for those who were needy under the government's "Democratization of Education" program. Financial aid in the form of cash grants was also made available at all levels. About 80 percent of all secondary-school students and nearly 90 percent of university students, including many of those studying abroad, received stipends that were roughly equivalent to the minimum wage for an industrial worker.

Since Tunisian independence education has been the priority item in the national budget. In the mid-1980s about 20 percent of government spending was being allocated for education, representing more than 60 percent of total social expenditures and an average of 7 percent of the gross domestic product (GDP). The percentage of the budget devoted to education was lower than in the early 1970s, when education accounted for as much as one-third of government spending, but the amount in gross terms and the average expenditure per student had increased substantially since that time. Tunisia has also relied heavily on unilateral foreign aid and multi-lateral assistance to support its education program. For many years after Tunisia became independent, France supplied teachers under a bilateral cultural agreement, and, although that program had drawn to an end by the mid-1980s, France continued to provide assistance in teacher-training programs. The United States, through its Agency for International Development (AID), contributed direct aid for improvements in technical and vocational education and for school construction. Funds from the United States were also used to equip laboratories and to enhance the physical plant of the University of Tunis. Food aid was directed to the support program for needy students in Tunisia, and advanced training at universities in the United States was provided for technical students. Peace Corps volunteers assisted in teaching English at the secondary-school level. Technical assistance, funding, and loans for education projects also came from various agencies of the United Nations (UN).

Tunisia was heavily dependent on foreign—mainly French—assistance in providing teachers at all levels during the period its school system expanded rapidly. The progressive replacement of expatriate teachers by Tunisian personnel—a process referred to as Tunisification—was an important goal but one that was less emotion laden than similar programs undertaken in Morocco and Algeria. By the mid-1970s, however, Tunisians filled almost all teaching positions at the primary level, and the number of expatriates at the secondary level had been reduced to about one-fourth of the total. Nearly full Tunisification of secondary-school teachers had become a reality by the mid-1980s, partly as a result of French cooperation in setting up advanced teacher-training schools. At the university level, however, the number of foreign teachers was still significant, and Tunisification of the faculties and institutes remained a distant goal to which not much immediate attention was attached.

Instruction in schools at all levels was bilingual in Arabic and French. The latter language was introduced in the third year of

primary school and became the language of instruction in some subjects by the fourth year. At the secondary level, except in vocational schools, one-half to three-fourths of all instruction was in French, the proportion varying with the kind of program. University courses were conducted almost entirely in French, except in the Arabic literature and theology and Islamic studies faculties and in sections of teacher-training schools preparing students to teach Arabic.

One of the announced goals of the education system has been a gradual switch to the use of Arabic in courses that have been taught in French. According to official sources, the transition awaited the training of teachers in sufficient numbers to teach technical subjects in Arabic and the availability of Arabic-language textbooks that were considered adequate. Arabization of some subjects has proceeded at the primary level, but the trend in the mid-1980s, particularly because of greater emphasis on technical courses, has been to add more hours of instruction in French at both the primary and the secondary levels.

Primary Education

During the 1984-85 academic year, some 1.2 million Tunisian children were enrolled in nearly 3,200 public primary schools across the country. The enrollment figures represented a 10-percent increase in the number of students at the primary level from the previous year. Although the rate of attendance among females (approximately 85 percent) was considerably lower than that of males, girls constituted over 40 percent of overall enrollment and matched that of boys in many urban districts. Girls were also entering primary schools at a faster rate of increase than boys.

The six-year primary school cycle was designed to allow students to achieve literacy in both Arabic and French. It was also intended to reveal the potential for advancement to the secondary level in some students and to develop skills needed for employment in the others. In addition to language studies, primary-school students received instruction in arithmetic, elementary science, social studies, art, music, physical education, and religion. Instructional programs were uniform in all schools at that level.

A high rate of failures and repetition of classes has been experienced in primary-level grades. This situation was considered to result in some measure from the inability of students to cope with instruction in French. Repeaters, who constituted approximately one-third of the total enrollment in primary grades, caused over-

crowding and increased the per-unit cost of education. The large number of repeaters also created difficult age disparities in classrooms. Many students, particularly females, who have not completed the six-year program because of academic deficiencies, leave school at the age of 12.

Perhaps as a result of upgrading the quality of primary-school instruction and of efforts to reduce the incidence of grade repetition, the trend since the mid-1970s has been toward an improvement in pass rates and grade promotion. In the mid-1980s about three-fourths of all students entering primary school at the age of six completed the six-year program by age 14, and the proportion of graduates continuing their education in secondary and vocational schools was greater than 40 percent. Vocational courses, extending primary-school training by an additional two years, have been instituted in some areas for pupils who failed secondary-school entrance examinations.

Secondary Education

Entrance to secondary schools was determined by highly selective competitive examinations and by the age of the student. Applicants for places in secondary schools providing academic and technical educations outnumbered those applying to vocational schools by a two-to-one margin, but of those taking the entrance examination in the mid-1980s only about one-third were admitted. Students over the age of 14 who had completed primary school were automatically directed to vocational schools (see Vocational Education, this ch.).

The secondary school system was patterned closely on the French model and consisted of a three-year preliminary cycle, the *tronc commun* (common track), equivalent to the French *collège*, and a four-year "long" cycle, comparable to the French *lycée*, which led to a *baccalauréat* (secondary-school degree required for admission to a university). Specialized schools at the secondary level also offered a four-year teacher-training program leading to a pedagogical diploma and three-year commercial and technical programs that conferred professional diplomas on completion to students entering from the *tronc commun*. Nearly 400,000 students were enrolled in secondary-level courses of all kinds during the 1984-85 academic year. This figure represented a very rapid expansion of about 17 percent in the number of students since 1982-83. During the same period, more than 40 new secondary

schools were opened, bringing the total in operation nationwide to nearly 350.

The long cycle, essentially an academically oriented program of studies preparing students to continue their education at the university level, was composed of tracks in letters, science and mathematics, and technical studies, each having specialized course options. All students were exposed with differing degrees of intensity to social studies, mathematics and science, Islamic studies, Arabic, French, and another modern language, usually English. Those in the first track followed a modern liberal arts program that emphasized language, literature, and social studies while those in the scientific track concentrated on natural and experimental sciences and advanced mathematics, specializing in either mathematics or one of several branches of science in the fourth year. The technical track included separate programs in pre-engineering and economics, stressing applied mathematics and specialized subjects in addition to the general courses. The choice of a track in secondary school generally dictated the university faculties or specialized institutes to which recipients of the *baccalauréat* would apply for admission. A shift in preference among students from the liberal arts program to the scientific and technical tracks has occurred since the 1970s. About 70 percent of secondary-school students were enrolled in these tracks in 1985.

Parallel three-year secondary-level programs offered diplomas in commercial and technical studies. Students in the commercial track combined a general program that included Arabic, French, and another modern language with specialized courses in accounting, economics, and business administration. Those in the technical track added applied mathematics and specialized courses in either industrial technology or basic civil engineering to the general program. The training prepared students for mid-level employment in business or industry upon graduation, and diplomas also led to admission to engineering or other advanced technical schools. In exceptional cases, promising graduates were permitted to go into the fourth year of the technical track and qualify for the *baccalauréat* and university admission.

Higher Education

The country's only university, the University of Tunis, was founded in 1958, incorporating several existing institutions of higher education. Initially an autonomous institution, the university was brought under the administrative control of a government min-

Primary school students
in the classroom



istry in 1967. In 1976 a process of decentralization of the university was initiated, in which new faculties were established and some existing facilities were relocated outside of Tunis. One rationale for the move was to allow students, particularly in technical fields, to be trained in the regions where their skills were most needed. The measure was also intended, however, to break up the heavy concentration of students in the city of Tunis, where the government considered they had become a threat to public security. A separate ministry responsible for higher education was set up in 1979.

In 1984 the University of Tunis was composed of 12 faculties, each containing several departments, and numerous affiliated institutions and schools. Specialized professional education was provided at advanced schools, some of which offered degree programs equivalent to those at the university level. Of a total of 53 advanced schools, 34 were funded by the Ministry of Higher Education and Scientific Research and the remainder by other ministries. Among the most important was the National School of Administration, which provided postgraduate courses for civil servants. Others included advanced schools for agriculture and veterinary medicine, fine arts, architecture, telecommunications, and the performing arts. In 1985 nearly 40,000 students were enrolled in institutions of higher education that were producing about 5,000 graduates annually.

Requirements for degrees in letters, law, Islamic studies, science, and mathematics and from most specialized institutes of the University of Tunis could be fulfilled in four years. A two-year preliminary stage qualified students for a terminal diploma or for promotion to a more specialized second stage leading to a university degree. In science departments, a third stage was devoted to research. Degree requirements in other faculties and specialized institutes and at advanced schools depended on the field of study. A degree in fine arts, for instance, required three years; in engineering, five years; and in medicine and architecture, seven years.

In the mid-1980s more than 40 percent of all students at the University of Tunis were enrolled in the Faculty of Letters and the smaller Faculty of Law. After national independence these faculties had turned out much needed teachers and civil servants, but 20 years later they were educating students in fields that offered increasingly limited possibilities for employment. An earlier effort to attract students to study agricultural sciences had failed to meet its goals; but the government continued to expand opportunities for students in technical fields, offering training in marketable skills, and undertook to attune university admission policy to the country's economic needs. Slightly more than half of all university-level students were engaged in scientific and technical studies in the mid-1980s.

As a result of reforms introduced in the mid-1970s, admission to each department was regulated on the basis of an annual assessment of employment opportunities for graduates in particular disciplines and projected requirements for technically trained personnel. During their final year of secondary school, applicants to the university and advanced schools selected from five to 10 fields of study for which they wished to be considered for admission. There were about 130 fields to choose from in 1985. Acceptance was determined by scores in the *baccalauréat* examination, the highest ranking students being given preference for places in the departments of their choice. Each year a percentage of applicants failed to be accepted in any of the fields of study they had listed, and they were forced to make new choices if they expected to be considered for the university.

Because of the restricted admissions policy, some students chose to go abroad for higher education to study in their chosen field of interest. Others sought out foreign universities where they

could pursue courses of study not offered in Tunisia. Approximately 10,000 Tunisians were studying abroad in 1985, about one-third of them on government scholarships. The largest number attended universities in France and the United States.

Teacher and Teacher Training

In the 1984–85 school year an estimated 35,000 teachers, all Tunisian, were employed in the public primary-school system. Annual increases in the number of primary-school teachers were gradually improving the teacher-student ratio and were allowing for the elimination of double-shift school days. Teachers in secondary schools numbered nearly 19,000 and increased at a rate that kept pace with the growth in enrollment at that level. University instructors of all ranks totaled 4,600 in 1985, representing an increase in full-time teachers of more than 10 percent in two years. More than 1,500 university lecturers were retained on a part-time basis. Tunisia exported teachers to a number of other Arab and African countries.

Classroom hours for teachers at the primary and secondary levels were reduced from 30 to 25 hours per week in a move that was designed to improve the quality and effectiveness of teaching. While teacher-training facilities have been expanded to make up for understaffing caused by the change, standards for admission to teacher-training programs were simultaneously upgraded in line with the general policy emphasizing improved quality in education.

Most primary-school teachers received their training at secondary-level normal schools. The four-year course, which admitted about 1,000 new students in 1985, provided pedagogical courses in addition to a general secondary-school education. Teachers were accepted as fully qualified after a one-year probationary period following graduation, during which they combined teaching with further study at one of several regional teacher-training centers. A number of teacher-candidates who had taken the *baccalauréat* were also recruited for the primary schools each year and allowed to begin teaching after completing a short training course.

Secondary-school teachers were educated at an advanced teacher-training school (*école normale supérieure*), of which three operated in conjunction with the University of Tunis in 1985. Teacher-trainees, who were required to hold either the *baccalauréat* or a

secondary-level normal school diploma, followed a five-year program, during which they took courses in an academic field of study at a university faculty before going on to complete their pedagogical training at the advanced school. After receiving a degree in secondary education, candidates were subject to a one-year probationary period before being certified to teach at that level. A parallel four-year course in teaching technical and vocational subjects at the secondary level was also provided. Scholarships for students entering this program were larger than those awarded students in other university faculties and schools, but trainees were required to make a commitment to teach in the secondary-school system for a minimum of 10 years. Some university graduates, holding degrees from other faculties, were also accepted to teach at the secondary level after appropriate professional training.

Vocational Education

The government's education policies laid emphasis on improving vocational education and increasing its acceptance as an alternative to a strictly academic education. Vocational training was provided in separate systems at the secondary level in industrial arts and agriculture. Efforts were being made to upgrade vocational education by extending the length of programs, and plans were also discussed for conferring a degree on vocational graduates that was equivalent to an academic *baccalauréat*. Vocational training was being introduced at the primary level in some areas.

A three-year vocational course intended to train workers immediately employable in the industrial sector in skilled trades was open to primary-school graduates, and those older than 14 were invariably directed to vocational schools. In addition to a general education and specialized vocational training, students were also given practical work experience as part of an apprenticeship program. Successful completion of a fourth year of vocational training earned students a professional diploma and improved credentials for employment. Exceptional students were permitted to move into the final three-year cycle of the technical secondary school.

The Ministry of Agriculture operated four secondary-level vocational boarding schools in 1985. Three were for boys only, and one was reserved for girls. Students out of primary school entered a three-year middle school, equivalent to the *tronc commun* and, depending on their academic performance at the level, were allowed to continue with a three-year course leading to a technical diploma or to pursue a four-year *baccalauréat* in agricultural sciences.

Training in both the diploma and the degree programs included general academic as well as technical courses. The *baccalauréat*, however, entitled graduates to apply to the advanced schools of agriculture and veterinary medicine or to enter a two-year program at one of several other specialized schools.

Adult vocational training was sponsored at different levels by the Ministry of Labor and several other ministries. These programs were generally targeted at providing workers for areas of known need and had a good record of placing participants in jobs on completion of training. Diplomas in nursing, paramedical skills, and laboratory technology were offered in schools conducted by the Ministry of Public Health. Courses provided by the Ministry of Tourism and Handicrafts taught traditional handicraft skills, while the Ministry of Youth and Sports operated preapprenticeship training centers in manual arts and social services for school leaders and unemployed young people. During the early 1980s, the government initiated a US\$47 million project, partially financed by the World Bank (see Glossary), to establish a number of new vocational training centers and to enlarge existing facilities. Eight new centers were scheduled to open in 1986.

Literacy and Adult Education

According to a 1980 estimate, approximately 50 percent of the Tunisian population over the age of 15 years was considered literate. By comparison, the rate of literacy at the time of independence in 1956 was only 30 percent. Broken down by gender, the 1980 estimate reported rates of literacy of about 67 percent for males and 33 percent for females. This compared with rates of 47 percent for males and only 18 percent for females estimated in 1967. Literacy rates varied regionally from over 70 percent in the Tunis metropolitan zone to 30 percent in some rural areas. Overall literacy in the urban population, however, exceeded 80 percent.

For the most part, Tunisia has relied on an expanding public school system both for the reduction of illiteracy and for adult education. Literacy classes, however, were made available at special centers located throughout the country. Classes were also established for workers by business enterprises, by the armed forces, and by women's organizations.

In addition to job training programs, government ministries also sponsored adult education that included courses in such varied subjects as literature, civics, and child care. Increasing use was also being made of television as a means of giving instruction in

family planning techniques, providing schooling outside the regular education system, and promoting literacy.

Health and Welfare

Tunisia not only inherited a health system from the French protectorate that was inadequate for the needs of its population but after independence the country also suffered the loss of most of its European medical personnel, who included well over half of the physicians practicing there in 1956. The "right to the protection of health" was guaranteed to Tunisians in the 1959 Constitution, however, and in the years since achieving independence the government has extended considerable effort in implementing that provision. Public expenditures per capita for health service exceeded those of most countries, and in 1985 allocations for the Ministry of Public Health absorbed 7 percent of the national budget, funding second in size only to that for education and representing about 3 percent of GDP. Foreign assistance also contributed to health projects in Tunisia.

Initially, the public health program was directed principally toward the physical expansion of the system, concentrated on providing curative medical care in urban-based facilities. Under a so-called pyramid system that continued to function in the mid-1980s, inpatients were referred upward for treatment from rural dispensaries and small auxiliary hospitals to regional hospitals in each of the country's four public health regions and, finally, to about 25 general and specialized hospitals located in the large cities, which handled more than 70 percent of total inpatient admissions. About one-third of all admissions to hospitals in Tunis were referred from other parts of the country. By the late 1970s, however, great emphasis was being placed on preventive medicine and the more extensive use of local health care centers and paramedical personnel, particularly in rural areas.

The results of improvement in medical care, as well as in nutrition and sanitation, were reflected both in mortality statistics and in quantitative indicators of the expansion of the public health system. Nationally, the infant mortality rate was reduced from 200 deaths per 1,000 live births in 1956 to 85 per 1,000 in 1985, and the overall death rate dropped from 20 per 1,000 population annually to under eight per 1,000. The average life expectancy for Tunisians during the same period rose from 40 to 61 years. According to a 1981 survey, inpatients were treated at 98 hospitals, providing 21 beds per 10,000 population, and outpatients received

medical attention at approximately 1,000 health care centers, including more than 500 rural dispensaries. All were public facilities.

Official sources estimated that 80 percent of the population received medical care annually under the public health system. Treatment and services provided by the system were free. Hospital care was also covered for employed persons and their families insured under the social security system, and costs to others were nominal.

In 1981 about 1,800 physicians were practicing in Tunisia. Physicians were allowed to maintain private practices and to treat patients in private clinics, but all were required to contribute their services under the public health system. Paramedical personnel included 5,000 trained nurses and about 800 licensed midwives. The country's first medical school was established in 1964 as a faculty of the University of Tunis and graduated its first class in 1970. Medical faculties were subsequently opened in Sfax and Sousse. Training for nurses and paramedicals was provided in schools operated by the Ministry of Public Health. There were more than 300 practicing dentists and nearly 800 pharmacists working in Tunisia in 1981. Many were graduates of the dental and pharmacy schools that opened in Monastir in the 1970s.

Despite the progress made in improving the quality and outreach of the public health system, serious disparities still existed in the mid-1980s in the medical resources available to urban and rural populations. Outside Tunis and other large cities and the Sahil, quantitative indicators of medical care delivery declined sharply. About 60 percent of the country's physicians, for instance, practiced in the Tunis area, which had a physician-to-patient ratio that was five or six times greater than that of some rural governorates. Perhaps the most striking reflection of the urban-rural health care differential was the significantly higher incidence of infant mortality rates in rural areas, where, outside the Sahil, an estimated one-half of all deaths recorded were among children under the age of five years and where the infant mortality rate was nearly double that of Tunis. Tunisian authorities recognized the problem as essentially one of inadequate distribution of available public health system services. Reports in the early 1980s by international organizations indicated that the rural population was often excluded from ready access to those medical resources under the pyramid system because of bureaucratic bottlenecks at the local level in referring patients to regional and urban hospitals. Importance was therefore attached by both sources to augmenting the number of health care facilities in rural areas. A US\$41 million project,

assisted by the World Bank, for the construction, remodeling, and equipping of several hundred rural health centers was scheduled for completion in 1986.

By the 1980s inoculations and other preventive measures had brought under control some major communicable diseases, such as smallpox, diphtheria, polio, and typhus. The Ministry of Public Health conducted regular campaigns against malaria, trachoma, and schistosomiasis, and it assigned personnel to combat outbreaks of other diseases, particularly cholera. It was responsible for providing inoculations and for the detection and treatment of communicable diseases.

For the population as a whole, the principal health hazards were intestinal infections and parasites, skin infections, trachoma, hepatitis, tuberculosis, syphilis, schistosomiasis, typhoid, and paratyphoid. Rural people were particularly susceptible to respiratory ailments, while digestive disorders were principally urban complaints. Although polio, diphtheria, and whooping cough were on the decline, as a result of widespread inoculation, gastrointestinal and upper respiratory infections remained major causes of mortality among young children. The incidence of measles was of serious concern.

About 70 percent of the population had access to potable water, but the water supply was inadequate in parts of the country, particularly during the summer. Piped water to residences, water-borne sewage, and central treatment facilities for waste were available in Tunis and other large urban centers, but systems were generally overtaxed. Public sanitation in rural areas and in the older quarters of cities was poor or inadequately maintained. Food intake nationally was 116 percent of the basic requirement recommended by the UN's Food and Agriculture Organization. Malnutrition was still apparent in some parts of the country, but this was largely because of inefficient distribution rather than insufficient supplies of food.

Legislation enacted in 1960 created a social security system and the Social Security Fund, charged with the management of the system's benefits. Initially applicable to employees of industrial and commercial establishments of a certain size, the program was subsequently extended to some of the nonagricultural workers and to university students, and in 1970 a separate insurance system was instituted for farmworkers. Benefits under the program for industrial and commercial workers included hospital care, medical equipment, and treatment abroad when necessary. Payments to the fund consisted of a 5-percent tax on individual wages and a 15-percent wage tax contributed by employers. Contributions paid by

agricultural workers were nominal. The social security system operated several hospitals separately from the general public health system for the exclusive admission of patients covered by medical insurance paid through its fund.

* * *

Richard Parker surveys major social trends in Tunisia in his *North Africa: Regional Tensions and Strategic Concerns*. An earlier but more detailed introduction to contemporary Tunisian society is found in Clement Henry Moore's *Tunisia Since Independence: The Dynamics of One-Party Government*.

A body of literature is developing on the subject of the religious renewal in Islam and its social and political implications. Articles dealing specifically with Tunisia include Susan E. Waltz' "The Islamist Challenge In Tunisia" in the *Journal of Arab Affairs*, Mark A. Tessler's "Political Change and Islamic Revival in Tunisia" in the *Maghreb Review*, and those by Michel Camau and Mohamed Elbaki Hermassi in the French journal *Maghreb-Machrek*. In his book, Parker devotes a chapter to an assessment of the Islamic Tendency Movement.

Margaret McFerren's *Arabization in the Maghreb* discusses linguistic biculturalism in Bourguiba's Tunisia and the status of arabization in the bureaucracy, schools, and the media. James Allman describes social stratification and analyzes education policy in *Social Mobility, Education, and Development in the Middle East*. A more timely critique of the effects of official attitudes in these areas is provided by Marie Thourson Jones' "Politics and Social Policy in Tunisia" in the *Maghreb Review*. In his essay "Tunisia: A Single Party System Holds Change in Abeyance," Russell A. Stone describes the structure and values of the country's elite.

Jeswald W. Salacuse examines the Code of Personal Status in *An Introduction to Law in French-Speaking Africa, II: North Africa*. Lorna Durrani's article in the *Maghreb Review* and Tessler's essay in *Women in the Muslim World* explore the degree to which enactment of the code has affected family life and the status of women. Roderic Beaujot and Mongi Bchir's *Fertility in Tunisia: Traditional and Modern Contrasts* is based on recent field surveys. (For further information and complete citations, see Bibliography.)

Chapter 3. The Economy



Orange blossoms from a Tunisian citrus grove

IN LESS THAN 30 years of independence, Tunisia has grown out of economic subordination and poverty and into a middle-income state. A small country with a modest resource base, it had used its diverse assets to move from a purely agricultural economy to one in which hydrocarbons, manufacturing, and to a lesser extent, banking and tourism were also important contributors to national income and growth. The management of the economy was recognized internationally as sensible and had earned the country considerable financial assistance. The economic role of the government was alternatively limited or intrusive according to the principles of Bourguibism, a term referring to attributes of the regime of Tunisia's president for life, Habib Bourguiba, and one that was defined as pragmatic and moderate, though also flexible and opportunistic.

The foundation of the economic infrastructure was built during the period of the French protectorate, and later the Tunisian authorities made improvements, shaping it to the needs of modern Tunisia. Administrative procedures, technical methods, and the financial system, however, have retained an essentially French character.

When compared with the performance of the previous decade, growth in the 1980s has been slow. Indeed, Tunisia has struggled with quite a few problems. The agricultural sector had been afflicted by a severe drought, and imports of food increased substantially to satisfy the demands of a fast-growing population. The international markets for petroleum and phosphate, Tunisia's major foreign exchange earners, were weak, and at the same time the sales of textiles and olive oil faced fierce competition and trade barriers. Inflation and unemployment were running very high, but the Tunisian authorities could not take the necessary steps, i.e., cutting down on wage increases and price subsidies, because of the political sensitivity attached to such actions. All of these factors aggravated trade and budget deficits, and loans from foreign sources soared.

Tunisia may have freed itself from economic subordination in a literal sense, but its economy was an open one and remained, as could be observed in 1985, extremely vulnerable to external factors. To remedy the situation, the government reduced capital imports and selectively used limited funds to modernize agriculture and develop alternative sources of foreign exchange. But the capacity of the Tunisian people to tolerate the resultant austerity had become uncertain.

National Income

Although only 3 percent of the land was arable, the country had traditionally been an agricultural one with a majority of the labor force engaged in agriculture and production sufficiently abundant to allow the export of fruits, vegetables, and olive oil. Agriculture gradually lost its predominant role in the economy with the discoveries of oil, natural gas, and phosphates and with the growth of the services sector and the commercialization of tourism (see fig. 8). Official data in the late 1970s and early 1980s reflected the evolution toward a more diversified economy (see tables 4 and 5, Appendix). In the early 1980s annual gross domestic product (GDP—see Glossary) was roughly TD4.3 billion (for value of the Tunisian dinar—see Glossary). Of this total, 15 percent came from agriculture, 12 percent from oil and gas, 4 percent from textiles, 10 percent from manufactured products, 7 percent from construction and public works, and 4 percent from tourism.

Economic Growth

Since independence, Tunisia has experienced growth rates seldom encountered elsewhere in Africa. National GDP grew at an annual average of 4.7 percent during the 1960s and 7.6 percent during the 1970s. The exceptional income growth that Tunisia witnessed during the 1970s was attributed largely to surging oil prices. But in neighboring Algeria, a far larger oil producer and exporter, the GDP growth rate during the same period averaged only 5.8 percent a year, a comparison that revealed that Tunisia's lucrative oil revenues were by no means the only contribution to growth. Other contributing elements were favorable weather for agricultural production, an improvement in the investment climate through an easy credit policy, a drive for industrial development (particularly in the export industries whereas Algeria emphasized import-substitution industries), an initially receptive export market, and a move toward a more liberal market-oriented economy.

The first half of the 1980s did not present the same bright picture. The annual growth rate slowed considerably, falling to nearly zero in 1982, when a severe drought led to a disastrous agricultural harvest. Additionally, oil and phosphate revenues were lower because of depressed world prices and lower domestic production resulting from impoverished reserves and technical problems. Moreover, a recession in Western Europe led to a decrease in Tunisian exports and in West European tourism abroad.

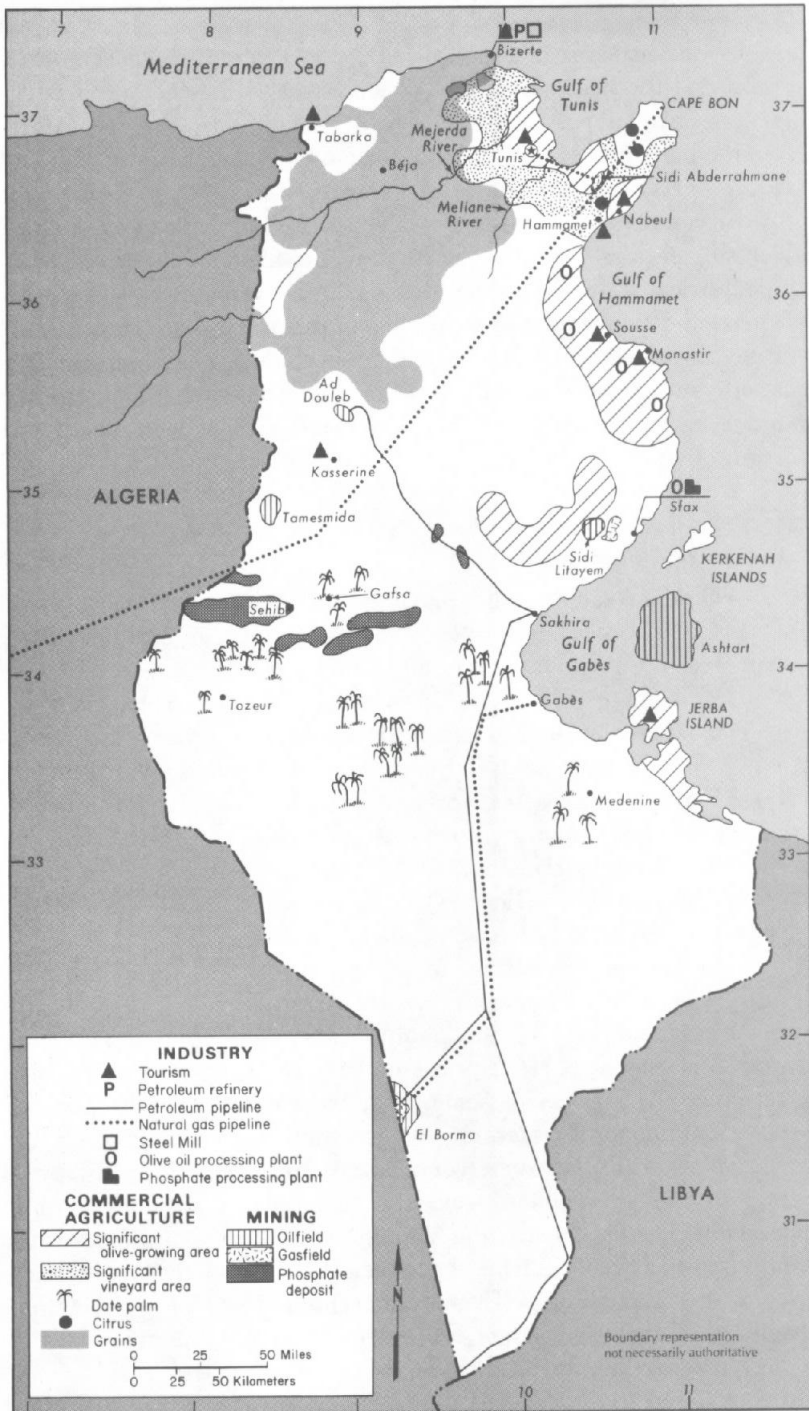


Figure 8. Economic Activity, 1985

It was difficult, in the mid-1980s, to foresee which economic sectors had the best prospects. Agriculture and the food-processing industry were subject to erratic weather conditions, and the future of the production of minerals and energy appeared uncertain because of pessimistic estimates of deposits. The services sector was growing consistently but slowly. The irrigated agriculture and manufacturing sectors were among the most promising. The mechanical and electrical industries showed an average yearly growth rate of 15 percent in the mid-1980s; the chemical, construction materials, and textiles industries followed with growth rates of 12 percent, 12 percent, and 5 percent. All of these industrial activities were assured a relatively healthy market demand either domestically or abroad.

Inflation and Prices

General investment and consumption each rose by more than 100 percent between 1979 and 1983, aggravating an existing inflationary trend. An inflation rate at around 7.8 percent per year between 1977 and 1981 grew to 13.6 percent in 1982. Subsequently, price and wage controls brought inflation down to around 9 percent in 1983. The wages and salaries of civil servants were frozen in 1984-85 despite increasing pressure from the labor unions. Retail prices were kept under control despite the growing financial burden of subsidies, remaining lower than those in other countries of the Maghrib (see Glossary). Algerians, in particular, often crossed the border to purchase goods in Tunisia.

A comprehensive system of price controls was formulated in several ways. For consumer necessities, such as bread, meat, flour, oil, and tea, as well as for public transportation, lodging, and cement, the maximum retail prices or fares were set directly by the government. The prices of some items were determined by adding fixed maximum profit margins to the wholesale or retail costs of the products. Prices of some commodities were established by proposals to the government from the manufacturer, supported by data. Other items constituting about one-third of consumers' expenditures had freely fluctuating prices. Because of the heavy reliance on the maximum profit margin technique and because of the readiness of the government to adjust fixed prices in response to underlying market forces, the Tunisian price control system was not considered terribly distorting.

Income Distribution

As is often the case when a country experiences important and rapid growth, the gap between the rich and the poor in Tunisia widened. The government became increasingly aware of acute regional income disparities during the 1970s and began a reorientation of investment funds to help create jobs in the poorer areas and to upgrade living standards by developing facilities such as hospitals, and systems of electricity, running water, sewerage, and roads. About 13 percent of total investments in the 1982–86 development plan were allocated to regional development, and about 16 percent of GDP in the early and mid-1980s annually went to social programs. Official sources proudly cited statistics indicating the per capita income in the country was the comfortable equivalent of US\$1,200—a result, to an important extent, of a few high income levels—and that the percentage of people living below absolute poverty standards was reduced from 17 percent in 1975 to 13 percent in the early 1980s. However, data from the early 1980s suggested that a large percentage of Tunisian households lived just above the poverty level.

Tunisians remained dissatisfied with the size of the investment funds allocated to regional development and were growing increasingly sensitive to the issue of equity. The most deprived people were those residing in the northwest, the central area of the country, and the south, where living conditions were Spartan. A marked contrast could be observed in the capital city of Tunis between the modern opulence of upper-class residential areas and suburban shantytowns, called *gourbivilles*. Articles appearing in Tunisian periodicals in the mid-1980s reflected concern—sometimes resentment—over the means by which “colossal fortunes” had been accumulated. Widespread corruption was imputed to the upper management of the state-owned enterprises. The government prepared a preliminary plan of action in 1985 to fight what it termed “inefficient management in public enterprises.” Corrective measures included selling many of the state’s shares to spread ownership to more private interests, giving greater power to the board of directors (rather than management) in budget financing, and implementing hiring laws whereby people would be employed on the basis of competence and integrity rather than family ties and contacts.

The Role of the Government

The Tunisian government has not dominated the economy as conspicuously as have the governments of the other Maghribi countries, but in the mid-1980s there was no economic sector in which the state did not intervene either directly or indirectly. As the source of regulatory legislation and as the author of comprehensive planning for development, the state was supreme. It acted as law-maker, planner, investor, manager, and owner. Its role varied widely between industries ranging from sole ownership, as in the transportation industry, to a partnership arrangement with private foreign or domestic owners, as in manufacturing. The role of the public sector in agriculture and manufacturing had been declining since the shift in emphasis toward encouraging private investment. In the field of finance the government exercised a broad role, controlling the money supply, investments, and prices. For enterprises that were wholly private and deemed to be important to development of the economy, the state offered direct investment services through public lending institutions.

The government employed roughly 18 percent of the total work force. Its most important goals in the mid-1980s were to develop a wider economic base that would not rely solely on hydrocarbons and phosphates, to create enough jobs to solve the unemployment problem and reduce income disparities, and to make a more equitable division of the economic pie.

Development Planning

In its role as planner and investor, the government traditionally relied on the framework set forth in the various development plans. The first attempt was the 1962-71 Ten-Year Perspective Plan of Development, which was only a long-range policy statement. By 1985 there had been six medium-term plans, the first three of which attempted to implement the policy of the ten-year plan. Originally overoptimistic, these subsequent plans became more pragmatic by the end of the decade. The first medium-term plan for 1962-64 emphasized modernizing the country's infrastructure. Its performance fell well below plan goals, and most of the country's foreign exchange holdings were later used up to pay for the projects that were started. The authorities borrowed from the domestic banking system to help finance completion of the projects, which only added to inflationary pressures. Part of the

difficulty of the first plan was that the statistics upon which it was based were sparse and unreliable.

The second medium-term plan was called the 1965–68 Four-Year Plan and was based on more detailed and accurate statistics. It continued the development policy of the first plan but with some modifications in objectives and financing. It focused more upon developing heavy industrial projects. Most goals of the next plan, called the 1969–72 Third Development Plan, were met because of a very favorable growth rate in 1972 that pulled the average growth for the period above the projected rate. The 1969–72 plan's total investment funds were equal to TD676 million, 53 percent of which was financed by foreign assistance. The plan stressed investment in agriculture and in sectors having a comparative advantage over foreign competitors, such as light industry.

By the end of the decade, the planning process in Tunisia had become more sophisticated and realistic. Plans were periodically reviewed and were designed to create a climate conducive to development by enabling many agencies and individuals to share in drawing up the plan. After 1975 a minister in the cabinet was in charge of planning. Alternative broad objectives were drawn up by the planning authorities; from these the National Planning Council, a body that included representatives from many ministries and agencies, selected a major objective to be pursued in the next plan. This objective was then expanded and transmitted to ministries and sectoral and regional committees that would specify detailed sectoral and local projects compatible with the main objective. A final draft was synthesized and forwarded to the National Planning Council for approval and submission to the Chamber of Deputies for passage into law.

The 1973–76 plan, a much more elaborate one than its predecessors, called for investment funds of TD1.2 billion. The oil price hike of 1973, however, secured nearly TD400 million more than planned. The high investment subsequently made under the plan paid off in the creation of an estimated 164,000 jobs (only 119,000 were planned) and the attainment of most goals. The average annual growth during that plan period was 6 percent. Most important, only 16 percent of the investment was financed with external funds. The subsequent 1977–81 development plan was financed largely (78 percent of TD4.2 billion) by domestic savings.

Both the 1973–76 plan and the 1977–81 plan had sufficient funds to allow investment in various sectors of the economy while particularly promoting chemicals and export industries, such as petroleum and phosphate processing. The 1977–81 plan, officially designated simply the Fifth Plan, further included in its priorities

the modernization of the transportation system and the development of water resources.

The 1982–86 plan reflected the efforts of the Tunisian government to shift the economy away from petroleum-based growth and to solve the rising unemployment problem. Emphasis was put on promoting agriculture and small private industrial activities. Development funds totaling TD8.2 billion were channeled to generate an annual growth rate of 6 percent and to create 300,000 jobs. The adverse weather of the early 1980s, however, caused poor agricultural harvests, and the recession in Western Europe resulted in lower remittances and tourism receipts; the combination of these conditions led to growth rates well below those targeted—an average of 3.5 percent per year in the first three years of the plan—and provided little opportunity for the creation of jobs. Agricultural output improved significantly in 1984–85, and efforts to boost manufacturing were commendable; but overall economic growth remained slow.

Preparation of the 1987–91 plan, Tunisia's seventh development plan, was underway in 1985. Its main objectives related to the three challenges the Tunisian economy faced: improving the balance of payments, solving the unemployment problem, and reducing interregional disparities. The 1987–91 plan would introduce technical committees to the planning process that were created to sustain and provide the national and regional committees with documents and studies on the sectors they covered.

The Domestic Budget

When the government in the mid-1960s adopted a centrally directed economic and social development plan, the budget became a major instrument in the planning and execution of the development effort. In the mid-1980s budgets were geared to the objectives of the plan, and annual adjustments were made in the plan after an assessment of the economic situation of the previous year.

Responsibility for drafting the annual budget rested with the planning authorities. The ministries and separate governmental agencies annually submitted expenditure estimates and justifications to that office, which after review and consolidation forwarded them to the Budget Service and the Public Expenditure Control office under a minister responsible directly to the president. These offices examined the proposals for feasibility and conformity with governmental policy. Any modifications proposed by the reviewing

offices were submitted to budget committees consisting of representatives from each of the ministries.

The budget committees ironed out any interministerial differences over proposed appropriations that might have developed, and the budget thus established was then forwarded to the Economic and Social Council of 42 members representing various sectors in the economy for approval and subsequent introduction in the Chamber of Deputies to be enacted into law. Although subjected to the scrutiny of the legislature to an increasing extent, the budgets were generally approved after modification.

In the 1980s the budget specified both the expenditures and the revenues of the central government and was operative for the fiscal year, which coincided with the calendar year. It was drawn up in two parts: an ordinary or administrative budget and a capital or investment budget. In addition there were special treasury accounts and extrabudgetary accounts. The ordinary budget allocated funds to cover the usual current expenses of government (such as salaries, purchase of goods and services, and transfers), including those of any state-owned business enterprises that were not fully self-supporting. The capital budget was the vehicle for funding investment expenditures and other nonrecurring, extraordinary governmental obligations. It also included some current expenditures related to investments and some lending to public enterprises.

The special accounts received certain earmarked revenues and were used for specific purposes: current, capital, or lending operations. The various special accounts were large enough to exert an important effect on the economy. The single most important special account in the mid-1980s was the Price Stabilization Fund, which paid for subsidies on selected foodstuffs and certain basic raw materials. Some extrabudgetary accounts reflected the receipts and expenditures from foreign grants and loans.

Government expenditures increased rapidly between 1960 and the late 1970s, reflecting the growing role played by the state in the country's economic activity. By the early 1980s, however, an era of stringency began, and while annual budgets grew larger in absolute terms, they were increasing at a slower rate than that of the 1970s. Moreover, budget funds began to be allocated in a different way. The share of current expenditures decreased from around two-thirds of the total budget in the 1970s to hardly more than one-half. The larger capital expenditures' shares reflected the increased planned investment in the 1982-86 plan. Priorities were given to social sectors, such as education, health, employment, and housing, by significantly increasing their shares in both current and capital expenditures. Purchases of defense matériel and other

equipment remained, however, among the most important capital expenses.

Tax receipts in the 1980s provided around 70 to 72 percent of the government's revenue. The system of taxation was complex, and the tax structure was modified annually to accommodate the needs of the development plan. If projected receipts were smaller than planned expenditures, certain taxes were raised or new ones were added, although care was taken to ensure that the new fiscal measures did not burden lower income groups disproportionately. Increasingly, direct taxes included levies on business profits, which also applied to certain self-employed individuals, such as lawyers and physicians; an individual income tax; and a professional income tax that was assessed against noncommercial individuals and companies. An agricultural property tax was paid on the basis of an estimated value of certain crops and products, and an agricultural income tax was levied at a flat rate on the gross sales of agricultural products. Dividends and interest were taxed as well as inheritances.

Among the various indirect taxes in effect in the mid-1980s were customs duties, a production tax, excise taxes, and a service tax. Customs duties were levied on most imports, although an import tax surcharge, applied to most commodity categories, was not applied to essential items. Special export duties were levied at one of three rates. Excise taxes were imposed only on specific products, such as petroleum and beverages. There were also stamp taxes on a number of documents and registration taxes on various corporate activities.

Profitable state-owned enterprises, such as oil companies and state property, provided the balance of government revenues. The oil glut in the mid-1980s, however, resulted in minimal growth in such government revenues.

While petroleum revenue fell, public investment subsidies, wages, and salaries were rising. As a result, the early 1980s saw a deteriorating budgetary situation, which improved somewhat after a freeze in government wages and salaries in 1984. Nevertheless, the deficits remained significant in 1983, 1984, and 1985 at TD251 million, TD400 million and TD485 million, respectively. Attempts to decrease the cost of subsidies on cereals in late 1983 resulted in violent riots in January 1984, forcing the government to rescind its decision (see *The Riots of 1984 and Their Aftermath*, ch. 4). Instead, a number of measures to raise revenues were introduced, including value-added taxes on luxury items, higher prices on cigarettes and petroleum, higher taxes on alcohol, and a departure tax imposed on Tunisians for travel abroad.

The largest contribution to meeting budget deficits came from domestic borrowing. Additionally, joint Arab-Tunisian development banks and sometimes international organizations offered soft loans and government grants, and around 20 percent of the total amount applied to the deficit was raised through private foreign borrowing.

Local and municipal governments were permitted to have an investment budget financed partly from their own sources of income—they could levy their own taxes—and partly by the central government. Local governments financed their own payrolls and public services. Budgets were prepared annually by the governorates and municipalities and were voted upon by the governing councils. If they exceeded a specified level, however, they had to be approved by the Ministry of Finance.

Income for local budgets came from charges for services, license fees, fines, subsidies from the central government, and taxes the local governments were authorized to collect. The principal tax was that on real property, based on its assessed rental value. Local governments also collected taxes on vacant lots; taxes to support building maintenance, sanitation inspections, and services; and a tax on slaughterhouses. Other sources consisted of income earned from city-owned land and buildings and from concessions.

The Monetary Sector

The country's formal banking system dated from 1879, two years before the establishment of the French protectorate, when a monopoly for granting loans on gems and precious metals was given to a French national in Tunis by decree of the bey (ruler). To exercise the monopoly, the Franco-Tunisian Bank (still operating in the 1980s) was organized as a limited liability company. French banking interests opened branch houses or organized new ones in Tunisia after the protectorate was established, and strong financial ties between the governments and the business communities of Tunisia and metropolitan France developed. Control of monetary affairs in the country, including the management of currency, remained almost wholly in French hands and centered in Paris until 1958.

After 1958 a series of agreements brought financial autonomy, and the banking system grew considerably. In 1985 it consisted of the treasury, the Central Bank of Tunisia, nine development consortia, 10 offshore banks, 12 commercial deposits banks, two investment banks, about 45 agricultural mutual credit banks, two savings funds, a postal checking system, and several insurance

companies. In the late 1970s several of the Tunisian commercial banks formed a joint bank, the Tunisian Union of Banks, based in Paris, to serve as a channel for foreign loans to Tunisia and for Tunisian investments in other countries. A small yet dynamic stock exchange was functioning in Tunis, and many companies were able to raise needed funds by issuing securities. The demand for securities often exceeded the supply, and the prices quoted for existing securities sometimes rose rapidly.

The Central Bank and Monetary Policy

The treasury carried out central banking functions for government agencies and public enterprises. The Central Bank of Tunisia was established in 1958 as a state institution to assume the functions of the Bank of Algeria and Tunisia, which previously performed most of the functions of a central bank and was the fiscal agent for the Tunisian government but followed the monetary policy dictated by the Monetary Committee of the franc zone in Paris. The Central Bank of Tunisia carried out the functions normally performed by most central banks. It was responsible for issuing and regulating the country's currency. The basic monetary unit was the Tunisian dinar, divided into 1,000 millimes, which replaced the Tunisian franc in 1968.

As of 1985, the Tunisian dinar was a nonconvertible currency, and the import and export of bank notes was strictly prohibited. The exchange rate between the dinar and foreign currencies was determined daily by the central bank in accordance with a basket of currencies. Transactions involving foreign exchange were controlled by the central bank with the exception of a few authorized banks handling payments for imports and invisibles.

The major responsibility of the central bank was that of implementing the government's monetary policy. It was charged with regulating the volume and cost of bank credit in accordance with the needs of economic development. The central bank had the power to make advances to the commercial banks and the quasi-public specialized credit institutions and was the main source of long-term equity and finance. Its principal means of controlling the money supply was through changing the rediscount rates and prescribing liquidity and reserve ratios applicable to the commercial banks. To ensure liquidity, a certain percentage of short-term obligations had to be covered by vault holdings or other quick assets. As a further requirement, the commercial banks had to retain in

their portfolios government securities equal to at least 30 percent of their demand deposits.

In the early 1980s credit policy had been rather liberal to encourage investment, the money supply was growing at an average rate of 20 percent each year, and interest rates remained low. Gross investment grew from a share of around 20 percent of GDP in the early 1970s to about 30 percent in the mid-1980s. The International Monetary Fund (IMF), along with the World Bank (see Glossary), expressed the urgency of finding a solution to the trade deficit problem and preventing a foreign debt crisis. They recommended raising interest rates to curb loans (and consequently further imports) and devaluing the dinar to improve export prospects, acknowledging that these measures would slow economic growth. The Tunisian authorities were reluctant to do either. Imports of production machinery and materials were essential to local manufacturing and increasing output, and a devalued dinar would make such imports very costly. Moreover, devaluation would not be beneficial to the major Tunisian exports, hydrocarbons and phosphates, which were paid for in United States dollars. However, Tunisia did not totally reject the devaluation option because of the declining importance of hydrocarbons and phosphates relative to exports such as textiles and other manufactured products and to tourism.

Other functions of the central bank included supervising the country's gold and official foreign exchange assets and administering the government's foreign exchange regulations. The central bank also acted as fiscal agent for the treasury and the government's public entities and advised the government on financial and economic matters.

Other Banks and Savings Institutions

Banking was a growing sector in Tunisia in the mid-1980s, stimulated by the expansion of joint banks with other Arab interests and offshore banks. The first was brought about by the increased participation of Arab capital to form, along with Tunisian partners, a consortium of development banks. Except for the Economic Development Bank of Tunisia (Banque de Développement Économique de Tunisie—BDET), founded in 1959 under its previous name, the Société Nationale d'Investissement, the other six development banks were formed in the early 1980s and were funded largely by Arab capital, which never exceeded 50 percent of the

total. Development banks secured long-term loans and financed investment projects in the various sectors of the economy.

In 1985 the BDET was an important source of medium- and long-term loans for manufacturing and tourism. It had increased its capacity for mobilizing capital resources by receiving time deposits. Nearly one-third of the BDET's equity was owned by the Tunisian government and the balance by private Tunisian citizens and the International Finance Corporation, a member of the World Bank group.

Encouragement of offshore banking had been sought by a 1976 law permitting the establishment of foreign banks and other financial institutions and granting them a 10-year tax holiday. Their operations were restricted to nonresidents of Tunisia. A few foreign banks had begun operating in Tunisia by the early 1980s but were growing frustrated with the little freedom they were given in their currency exchange transactions. One offshore banking unit closed, and others were reducing their operations. The central bank, keen to see Tunis develop as an international commercial center, introduced significant changes in 1985. Accordingly, offshore banking units were allowed to do business in dinars with Tunisian residents, such as issuing guarantees in local currency, and to carry out some foreign exchange transactions. The changes were welcome but remained short of the demands of the offshore banking units, which were pressing for full equality with local banks and for making the dinar a convertible currency.

The leading commercial deposit banks in 1985 were the Tunisian Banking Company (*Société Tunisienne de Banque*—STB) and the National Bank of Tunisia (*Banque Nationale de Tunisie*—BNT). In addition to engaging in the usual commercial operations, the STB was an important source of credit for development projects offering medium- and long-term loans. It also made equity investments in new or expanding enterprises, primarily industrial ones. Founded in 1957, the STB was jointly owned by state and private investors. The BNT was established under its current charter in 1959 as a consolidation of several institutions that had dealt in agricultural credit since the early 1900s, and it remained a specialized agricultural bank in the 1980s, reaching its customers, insofar as seasonal credit was concerned, through a growing network of local mutual credit funds. Not registered as banks, the mutual credit organizations were supervised by the BNT and operated as private cooperatives extending credit to their members at reasonable rates and performing certain marketing functions. In another role, the BNT was the agent for the government in administering the complex program of farm price subsidies.

The National Savings and Housing Fund was a specialized credit institution that accepted deposits from individuals for home construction. The post office checking and savings account system provided an important banking service for many of the people who lived far from the branch offices of the commercial banks.

The Labor Force

In 1985, from a population of around 7.2 million people, the total labor force was estimated at 2.1 million. The low participation rate was attributable to the omission of unpaid labor in the statistics, the very low average age of the Tunisian population, and the low rate of participation of women in the work force. At about 20 percent, the rate of participation among women was still considerably higher than that of neighboring countries, and many employed women, particularly those in farming, worked full-time but were not recorded in official labor statistics.

Official estimates for 1985 indicated that members of the labor force who had jobs numbered around 1.8 million, a figure which placed the number of unemployed at around 300,000. Although less important than a decade earlier, agriculture remained the largest employer with 32.4 percent of the total. About 23.4 percent of the labor force worked in industry, including manufacturing, mining, and energy (see table 6, Appendix). The subsectors in which job creation was most successful were fishing and public administration, particularly public education and public health.

Employment was governed by the amended and modernized 1966 Labor Code—considered by the International Labour Organisation (ILO) as among the most progressive pieces of legislation affecting work standards—and by the collective bargaining conventions used by employers, the sectoral unions, and the government. Both sources determined wage levels; enforced minimum wages; protected the right to unionize; and established worker grievance procedures, social security contributions, disability insurance, maternity leave, length of the workweek, and overtime pay. As of mid-1985 minimum wages were TD2.64 daily in agriculture and TD95.06 per week in industry for a 48-hour week. Unionized labor generally earned higher wages, sometimes 40 percent more than did laborers. Actually many farm members earned below the minimum official wage, particularly those living in the poor regions of the central and southern parts of the country. The authorities tended to overlook such infractions because the unemployment situation was somewhat relieved thereby. Salaries varied greatly; low-

level government workers earned TD110 per month, a middle-income government worker was paid about TD300 to TD400, and cabinet ministers or company presidents received about TD3,000 per month plus benefits. The government raised salaries and wages every year by about 30 percent in the late 1970s and early 1980s, a policy consistent with the principle that workers ought to share in economic gains. Inflation, however, caused the authorities to raise wages by only 12 percent in 1983 and to freeze them in both 1984 and the first half of 1985; at the same time, nonwage benefits were raised substantially.

Unemployment was one of the most severe internal problems and hazardous challenges Tunisia faced in the mid-1980s. The official Tunisian figures estimated the unemployment rate at between 13 and 15 percent while the ILO placed it at 20 percent. Indeed, all surveys that led to these estimates did not cover the 15 to 17 age-group—25 percent of whom were searching for jobs—or those over the age of 59. Considered unemployed were only those working less than 14 hours one week before or at the time of the survey and not those who were underemployed or performing essentially unproductive work or those who were very poorly remunerated. Had such factors been taken into consideration, an alarming 30 percent of the labor force might have been revealed as unemployed.

Unemployed Tunisians were concentrated in the northwest part of the country and generally in more urban than rural areas. A large percentage of the rural work force, however, was underemployed or only temporarily working. During the 1970s the unemployed element of the population was primarily composed of unskilled or semiskilled labor but, in the 1980s, increasingly included educated people, such as physicians and engineers.

The problem was a natural result of an annual population growth rate at 2.4 percent but also partly a result of the government's investment policies. Many investments in the 1970s were made in areas such as tourism and petroleum production and other mining activities for which large numbers of workers were not required. Capital-intensive production, which was dominant in the manufacturing sector, was encouraged partly by the unselective grants and subsidized interest rates offered by the government and also by the reduced income duties on capital equipment imports. The protective labor laws also contributed to investors' preferences for nonlabor-intensive production. Some of these measures were reversed by the mid-1980s; employment-generating investment was particularly encouraged and protected, and the government had made progress in setting aside specific funds for creating new jobs

every year. Around 45,000 jobs were created annually in the 1980s, a number that fell short of the 60,000 jobs projected in the context of the 1982-86 development plan as necessary to accommodate the growing labor force.

Many Tunisians have dealt with the local unemployment problem by working abroad. Since the early 1960s Tunisians have been going abroad for work, mainly to France, the Federal Republic of Germany (West Germany), and Italy, and later to Libya and the Persian Gulf states. Remittances traditionally constituted significant contributions to the balance of payments and continued to do so in the 1980s, reaching TD132 million in 1982, TD235 million in 1983, and TD265 million in 1984. Generally, those with fewer skills emigrated and took jobs abroad as laborers or construction workers; nevertheless, they were generally more skilled than their Moroccan or Algerian counterparts. More recently, in the mid-1980s, émigrés included physicians, engineers, and teachers. The latest estimate indicated that 300,000 to 350,000 Tunisians were working abroad, half in France and one-quarter in Libya. When the economic conditions in receiving countries deteriorated in the late 1970s, however, prospects for work abroad declined. France encouraged migrants to return to Tunisia, and about 6,000 workers had returned home by 1982. In 1980 and again in 1985, during periods of strained political relations, large numbers of Tunisians were forced to leave Libya. In 1985 about 30,000 Tunisian workers were expelled from Libya. Estimates of people returning to Tunisia in the 1980s ranged from 20,000 to 60,000 annually; at this rate around 350,000 people would be added to the labor force by 1990, further intensifying pressures for the creation of jobs.

Agriculture

In the mid-1980s the agriculture sector employed about 32 percent of the labor force and supported roughly one-half of the Tunisian population. Agricultural output had been growing at a satisfactory 7 percent rate per year during the 1970s and early 1980s until a severe drought affected all of North Africa in 1982-83. Since then output has grown at only 1 to 2 percent each year. Because of much higher growth rates in the other economic sectors, agriculture's share of GDP declined steadily from about 22 percent in 1970 to 15 percent in 1984.

Foodstuffs were by far the largest part of Tunisia's agricultural output. Crops and products included cereals, olive oil, wine, citrus and other fruits, dates, vegetables, and sugar beets. In the

early 1980s the fairly new cotton and tobacco plantations began to yield crops. In general, Tunisia was 90 percent self-sufficient in meat, 60 percent in cereals, and 40 percent in milk. But rapid population growth, the growing preference for a more expensive diet, and the effects of the recent drought had caused a severe food trade deficit in the mid-1980s.

The agriculture sector's potential was underdeveloped, and realization of the full potential of the country's farmlands was hampered by low-yielding, traditional farming practices that were just beginning to give way to more productive modern techniques in 1985. Farming relies heavily on rainfall, which historically has been unreliable, often causing virtual crop failure. Agriculture also suffered from problems of erosion and an underdeveloped storage and marketing infrastructure; only a few farm operators made use of chemical fertilizers or modern equipment to prepare the soil.

The near-stagnation of the sector in the early to mid-1980s had far-reaching effects on the socioeconomic balances of the country; the government had to allocate significant amounts of money to subsidize food prices, the balance of payments deteriorated because of insufficient national production, and the rural-to-urban migration of the past 15 years increased. Accordingly, the government increased the agriculture sector's share of total development funds from 13 percent in the 1977-81 plan to 19 percent in the 1982-86 plan. The latter plan aimed to increase employment in agriculture, reduce regional disparities, balance trade in foodstuffs, and achieve a minimal annual growth rate of 5 percent. The investment in agriculture in the 1970s had resulted in the addition of 70,000 hectares of irrigated land, the planting of new trees on 315,000 hectares, the construction of greenhouses on 1,000 hectares, the reforestation of 30,000 hectares, and water and soil conservation work on 120,000 hectares. Most of the funds in the 1982-86 plan went to irrigation and the construction of dams to improve production in the rainfed areas, as well as to projects involving fishing, tree crops, livestock breeding, and storage amenities. The employment-generating subsectors received more than they did in the previous plan; the share of livestock increased from 12 percent of total agricultural funds to 15 percent, that of fruit tree plantations grew from 8 percent to 17 percent, and the share of farm machinery decreased from 17 percent to 11 percent.

Understandably, Tunisia has been very concerned about the enlargement of the European Economic Community (EEC). The impact on its agricultural exports would be almost fatal, particularly in the case of olive oil. Also threatened were citrus fruits and some vegetables. At best, Tunisia would still export oranges, which



Irrigation pipes bring water for agricultural use
to semiarid southern Tunisia
Courtesy World Bank/William Graham

had a two- to three-week yield advantage over the West European produce, as well as apricots and a few vegetables. Regardless, export prices were expected to be much lower, resulting in higher subsidies to producers. In the mid-1980s Tunisia was negotiating a special export treaty with France to retain its exports of olive oil, despite the fact that the EEC will be nearly self-sufficient, similar to the treatment extended to the countries of the Commonwealth of Nations to market sugar in the EEC.

Land Use

Of the total land area of 164,000 square kilometers, about 52 percent was arable. The arable surface, equivalent to 85,280 square kilometers, or 8.4 million hectares, was distributed to 1.2 million hectares of forests and esparto grass, 2.2 million hectares of grazing land, and 4 million hectares of cultivated land, planted

mostly to cereals and tree crops, and 1 million hectares of fallow land. Only 200,000 hectares were irrigated. Tunisia's potential of irrigable land itself was estimated in the early 1980s to be very low, and it was believed that only 25,000 to 50,000 more hectares could be made arable by irrigation.

The northern region of the country receives around 70 percent of the annual rainfall. The north also has more rivers and lakes and accounts for two-thirds of Tunisia's surface water resources. The central region of the country receives about 22 percent of the rainfall while the south is dry, sandy, and the water frequently saline. In the mid-1980s assessments of underground water in the center and the south revealed abundant quantities, and, although they did not provide a new estimate of the potential surface of irrigable land, they questioned the previous meager one. However, the cost of developing the supply of underground water would be very high.

All water resources in the country are under the jurisdiction of the Ministry of Agriculture. Initially, the government refrained from sponsoring irrigation schemes but permitted individual farmers to install water channels and wells. Public investment of large sums of money began in the late 1960s, however, and has continued since then. Around 23 percent of agricultural investment in the 1970s went to irrigation, and in the 1982-86 plan, water resources development was allocated a sizable 40 percent of overall agricultural investment. The benefit of irrigation was evident; in the early 1980s the irrigated sector (only 4 percent of the cultivated land) produced 25 percent of the total agricultural output.

To preserve the limited water supply for public use, three master water plans covering the north, central, and southern parts of the country had been implemented. The North Tunisia Water Master Plan was the most advanced of these plans as of 1985. It was a long-range project, which had begun in the late 1970s and involved the building of several dams and related facilities to develop irrigation and electricity and to supply drinking water to the coastal towns. A number of dams, of crucial importance to Tunisian agriculture, had been built by the mid-1980s. There were about seven major ones in the north and four in the central area. Five additional dams should come into operation, again in the north where most of the surface water lies, before the end of 1988. The government was investing heavily in extracting the underground water, having estimated that the high cost of drilling wells would be outweighed by the benefits. Around 800 deep wells, provided by the private sector, were operative as of 1985. Under the Southern Water Resources Plan, projects were under way in the mid-

1980s to drill new wells to supply water to the Jerid, Nefzaoua, Gabès, Medenine, and Tataouine areas and to increase irrigated land in the south by 4,500 hectares before the end of the decade.

The problem of erosion was a serious one, threatening 90 percent of the soil. It was caused by violent desert rainstorms, wind-borne sand and clay, seasonal rivers, and overgrazing. In an effort to eliminate the losses, the government emphasized reforestation and soil conservation programs. A government decree issued in 1958, and still being applied in the 1980s, made obligatory contour-plowing of all planted slopes of more than 2 percent incline and planting of trees on at least 2 percent of each farm. Land drainage operations centered in the northern coastal region. In the central and the southern areas of the country, the problem of diminishing natural vegetation was addressed. The vegetation served as animal fodder, and its reduction encouraged the advance of the desert. Projects involving soil and forest conservation amounted to as much as TD100 million during the 1982–86 plan and were expected to provide about 40,000 jobs each year. Antierosion measures were to cover around 60,000 hectares each year during the plan period.

Five agricultural regions could be discerned on the basis of prevalent crops. The banks of the Mejerda River in the north, blessed with high rainfall and the country's most fertile soil, were prime grain land and also supported livestock. Traditional farming was predominant except on the large units in the upper Mejerda Valley, the areas around Béja, Kef, and Siliana. Perennial crops could be found on the hillsides. The northeast was best suited to fruits and vegetables, and it produced 80 percent of the citrus output. Vegetable output was increasing there because of larger amounts of irrigated land. The Cape Bon region was also a major production area for grapes and wine. The eastern plateau region along the coast between Sousse and Sfax and the area on nearby Jerba Island had dry, sandy soil ideal for olive culture. Low-yield cereal crops and, at the northern edge of that region, some vegetable crops in newly constructed greenhouses could also be found. The central hinterlands supported only subsistence farming but produced large quantities of wild esparto grass, a base material for paper and cordage. Encouraged by the government, tree crop plantations (including olives, almonds, and apricots) were gradually transforming the steppe. The oases on the southern desert fringes produced olives, vegetables, dates, and palm by-products, such as fronds used in handicraft weaving. Irrigated agriculture existed mostly in the south. More than half of the irrigated land was used to grow vegetables, about 35 percent of it for fruit trees, 8 percent

for fodder crops, and 7 percent for cereals and industrial crops such as sugar beets.

Two methods of farming existed in the mid-1980s: the modern approach that was adopted by cooperatives, state farms, and large private farms and the traditional, more prevalent method used on the numerous small private farms. Traditional agriculture was marked by heavy dependence on hand labor or at best the use of draft animals, including the camel, for plowing and hauling. Farm implements and equipment were rudimentary, and little use was made of crop rotation, fertilizers, or even primitive soil conservation techniques, such as terracing. Most of the small traditional farmers were displaced from the productive areas by the Europeans during the protectorate era and were consequently working land of marginal value unless improved by irrigation or other means.

The circumstances of the small farmers varied with the region in which they lived and with the crops they grew. Income was generally higher in the north, with its greater rainfall and emphasis on cash crops, than in central or southern Tunisia where land was dryer and successful cultivation (primarily grains) depended almost entirely on weather conditions. A comparatively small number of farmers, most of them employed in olive culture, were fairly well off and could employ seasonal labor. The average cereal farmer employed laborers only in good years, paying them in kind. At a lower economic level were those farmers whose holdings were so small or poor that they could not live by their own produce and who had to seek day or seasonal labor working at the olive presses, herding, or performing any jobs they could find. A drought year reduced most of them to penury. Sharecropping and tenant farming were also common practices in the traditional sector.

The seminomads of the steppe were little better off than the small sedentary landholders. Pasturage was poor, techniques of breeding were archaic, and as a consequence yields of meat and wool were low and of inferior quality. Even under these conditions the seminomads could be nearly self-sufficient by virtue of their small requirements for subsistence. Such income as was necessary could be earned by gathering esparto grass, making handicrafts, or hiring out camels for transport.

Land Tenure and Reform

A complicated system of land tenure existed when the French protectorate was imposed in the late nineteenth century. Some land was privately owned, mostly by the bey or by a few important fam-

ilies. Privately owned land was called *melk* land, and the owner had the right to dispose of it by sale, gift, or inheritance. Subject for centuries to the Muslim law of equal inheritance among heirs, *melk* land became highly fragmented and was held in joint ownership with uncertain title. Collectively owned tribal property, called *arch* land, found largely in the southern half of the country, gave the individual a right to share in the use of the land held by the village or tribe. The *arch* land was managed by elected councils for the benefit of members of the group.

Another kind of property holding, which represented most of the land tenure arrangements before the French arrived, was the *habus* (see Glossary). An old Islamic institution, the *habus* was a foundation from which the revenues were dedicated in perpetuity for a charitable purpose. Establishment of a *habus* was an irrevocable legal transaction, and property so endowed could not be expropriated and was inalienable. Any landowner, regardless of his kind of holding, whether *melk* or *arch* land, could render his estate inalienable (to prevent either squandering by his heirs or confiscation by the government) by transforming his land into a private *habus*. Private *habus* land was still used by the original tenants or their descendants, who paid a yearly rent to the religious institution. Although *habus* land was inalienable in principle, the French authorized the transfer of public *habus* land in 1898, after which date much of it changed hands. The area in public *habus* land was estimated to have declined from hundreds of thousands of hectares to less than 20,000 hectares by national independence in 1956. After independence steps were taken to make more land available. Because *habus* land was considered to be wasteful in production methods, the small remainder of public *habus* was nationalized in 1956, and the individuals who would have otherwise inherited it became the proprietors of the land, an event that gave rise to immediate disputes among the descendants involved.

The system of landownership hindered the acquisition of land by European colonists after the protectorate was established. The French met the situation by inducing the bey to decree in 1885 the registration of title under French law, specifying in full detail the location and size of the property. Land so registered came under the jurisdiction of French courts. The certificates of title issued under this system wiped out previous claims, and all future transactions had to be inscribed on the certificate to be valid. The new law provided legal measures for private acquisition of land by Europeans, who were generally able to get claims settled quickly in their favor. Thousands of Tunisian farmers also acquired land, but

their farms were small in comparison with those of the French, Italian, and Maltese settlers.

Other legislative measures made large amounts of land available cheaply to French colonists. In 1890 it was decreed that all uncultivated bush lands were to be classified as state forests. Land not suitable for reforestation was made available for sale to the colons (settlers). This action was disastrous for the nomadic herders of the country because much of the land sold to the Europeans had traditionally been available to them for grazing purposes. The nomads were forced to graze their animals on less suitable land, and the erosion of this marginal land was greatly increased. By independence some 4,000 European farmers owned some 850,000 hectares of farmland, about 5,000 Tunisian farmers owned sizable holdings and operated modern farms as did the Europeans, and some 450,000 Tunisians owned or leased small properties and depended on subsistence farming and traditional methods of operation.

Both before and after the period of agrarian reform, a wide variety of tenant relationships existed. The most common method of tenancy encountered was that of a fixed rent paid for the land for a specific period of time. Few tenant farmers had official contracts and therefore little assurance of long-term use of the land and as a result had little incentive to invest in long-term improvement of the land. Absentee landlords were also seldom concerned. A somewhat similar but better form of tenancy was an increasingly prevalent arrangement known as share-tenancy, under which the landlord received a share of the crop—usually one-third—in return for participating in the costs of preparing the land. If the landlord did not participate, his share was smaller. An unusual aspect of sharecropping in Tunisia, particularly in the north, was the increasing number of small individual farmers renting their land under a sharecropping arrangement to much larger private operators. By the use of modern technology, the large farmer's income went up without his having to work the land himself.

A widespread movement into the cooperative program had its origin in the period after independence. From 1956 until 1964 the state had been acquiring European-owned farmland that had been either abandoned or sold to the government, although some land held by the French owners was confiscated in 1961 during the Bizerte crisis. These holdings were then operated as state farms or increasingly turned into cooperatives for the benefit of the former workers on the estates. These actions created a lack of confidence among the remaining European landowners, and farm investment and production decreased, a result the government attempted to

counteract in 1963 by guaranteeing ownership for at least five more years. In May 1964, however, a law was suddenly passed nationalizing all farmland still held by foreigners. The state, in an attempt to manage the larger amounts of land it had acquired, resorted increasingly to the formation of cooperatives.

The historical basis for the government's role was the necessity, after the French withdrawal, of maintaining essential supplies of nourishment to the people and surpluses to the established export markets. Equally, there was the desire on the part of those whose opposition to the protectorate arrangement had been carried out on egalitarian principles to institute their beliefs at the grass-roots level with a reform of the land tenure system. The method chosen to fulfill these goals was the cooperative, launched after careful studies to determine its feasibility. From a practical standpoint, the cooperative supplied a framework in which land could be consolidated, workers could be strictly organized, and management by agricultural technicians could be maintained as it had been under the French estate system. The cooperatives, however, gave their members nominal ownership of the land, a share in the profits, and the right to eventual control of it. Through their function as training and demonstration centers, the cooperatives were foreseen as the prime means of moving the rural population from the subsistence sector to the modernizing sector of the economy.

Between 1963 and 1969 new legislation had put in place elements of a comprehensive land reform program centered on cooperative agriculture. The intent of the cooperative movement was that of transforming the values and habits of rural residents by training them in modern farming methods using cadres of technicians to teach and managers to administer the farms. Decisionmaking was to be taken out of the hands of the farmer and placed in the hands of the government, and it was on this point that the movement foundered. A 1967 cooperative statute called for a transformation of all farmland in the country into cooperatives, private farmers becoming members of the cooperatives—largely against their wishes. The government never anticipated the opposition that resulted nor knew of the incompetence of the farm managers and the losses incurred on the farms until late 1969, when the entire cooperative movement was abandoned by order of Bourguiba. In September 1969, at the height of the movement, almost all the farmland in the country (about 92 percent) had come under state control and was in cooperatives.

Later analysis by social scientists revealed that so much local resistance to the implementation of cooperative policies was encountered that coercion by the authorities was necessary. The

actual extent of coercion during the cooperative period was not adequately reported at the time and was made known only later. Apparently, farmers were threatened, sabotage occurred, and physical violence erupted between villagers and police backed by army units in many areas, particularly in the Sahil. During the two-year period of forced cooperativization between 1967 and 1969, farm output fell, most farms operated at a loss, and management was generally incompetent. The officials administering the cooperatives had little or no agricultural training and were mainly bureaucrats who continually falsified production figures in their reports to superiors, who in turn never checked on the true situation of the farms. It was later revealed that when profitable sales were achieved, the profit per hectare on many cooperatives was actually less than the profit made by the small farmers using traditional methods before their land became part of the cooperative.

After September 1969, farmers were given the option of remaining with the cooperative or taking their farms out of it and returning to private ownership. By January 1970 most farmers had chosen the option of returning to farming their own land. The cooperative movement still existed in the mid-1980s, albeit on a much smaller scale and on a voluntary basis.

A complete cadastre of the country had never been completed as of the early 1980s. Only partial surveys had been made with property titles issued by the land registrar. Properties without titles received a title of possession, which was not as negotiable as a property title. As much as one-half of the arable land was believed to lack clear titles. After many years of partial efforts, the government committed itself in 1985 to a comprehensive program of land reform and titling.

Land distribution in the mid-1980s was highly skewed. As little as 3 percent of the total number of farms encompassed about one-half of the cultivated land, and one-third of the farms accounted for practically all (99 percent) of the private land. The remaining two-thirds of the farms most often had land areas of less than five hectares each. More than half of the smaller landholdings of fewer than five hectares were situated in the north. Such minute holdings demonstrated the poverty in which the large majority of the rural population lived. By 1985 around 80 percent of the total cultivable land was privately owned. Only about 234,000 hectares of farm cooperatives remained on exclusively state-owned land. There were an additional 213,000 hectares in state farms. Most of the existing cooperatives were in areas of public irrigation projects where average per capita income was higher than in other rural areas. Irrigated public agricultural land also fell under special

agrarian reform laws that specified maximum and minimum land-holdings permitted for each area.

Crop Production

Among crops, cereals predominated, covering almost one-third of all agricultural land in the mid-1980s. Durum, or hard wheat, barley, and Mexican soft wheat were the major crops, in that order, accounting for about 97 percent of annual production. Oats, corn, and sorghum made up the remaining 3 percent of the total. Wheat, a nonperishable crop, was grown by all farmers—large, small, and subsistence farmers alike. Hard wheat was milled to yield semolina, the basic ingredient of pastas such as spaghetti and of the standard Tunisian dish, couscous. Soft wheat was used in bread-making. Cereal crops were concentrated in the north, where they covered 800,000 hectares of land, but were also found in the center of the country and in the south. Wheat was grown mostly in the northwest and barley, which can tolerate dryer conditions, in the central and southern areas of the country. To a limited degree, high-yielding new strains of Mexican soft wheat have been adapted to certain areas of Tunisia, but Mexican wheat requires much care in its cultivation; thus only the most modern of farms have profited from its introduction.

Tunisia had historically been a net exporter of cereals. Production in the mid-1980s, however, was unable to keep pace with population growth, particularly because it was still largely accomplished by traditional methods and remained dependent on adequate rainfall. Variation in climate from poor to favorable could result in a 30-percent increase in output. Drought conditions resulted in one of the lowest outputs ever in 1982–83. The output of 1983–84 was 14 percent higher and was more representative of an average annual yield. Output of hard wheat was 600,000 tons, barley 300,000 tons, and soft wheat 150,000 tons. Nevertheless, local demand was about twice the quantity produced. The United States supplied about three-quarters of Tunisia's import needs in hard and soft wheat during the mid-1980s.

In the mid-1980s cooperatives, state farms, and the large private farms that had adopted modern farming techniques accounted for the largest share of output. The modern subsector occasionally used various inputs, such as fertilizer and machinery, and had easy access to credit. The traditional subsector, which consisted of the small private holdings, had very limited access to credit and rarely used any inputs other than the seeds themselves. The government

estimated that the modern sector was only producing half of its potential and that the land cultivated by traditional methods was producing as little as 15 percent of its potential. Cereal production suffered from a lack of fertilizers, better seeds, herbicides, and mechanical preparation of the soil. Only 25 percent of the land in the north was supplied with the necessary modern inputs. Although mechanization greatly expanded the area under cultivation, it tended to increase the harmful effects of erosion. Some soils were being overexploited, and virgin foothills were being stripped of cover to expand growing areas. As it became aware of these abuses, the government took measures to fight the problem by teaching careful use of mechanization. Additionally, large amounts of funds went toward reclamation of at least 400,000 hectares of once cultivable land before the end of the 1982-86 plan. The problem of poor use of modern agricultural inputs was as much a result of financial affordability as of a primitive distribution network for the small farmers. The National Cereals Office, which purchased and marketed all cereals and set producers' prices, saw its duties expanded to include a large number of extension services that would provide farmers with seeds, fertilizers, and pesticides at subsidized prices. Effort and funds were also invested in upgrading the inadequate cereal storage facilities, which aggravated the problem of insufficient supply.

Fruit trees covered around 45 percent of the arable land, including one-third of the irrigated land, and contributed about one-third of all agricultural produce. Olive trees dominated, covering one-third of the land planted to trees. Other fruit production included grapes, citrus, date, almond, and apricot crops, all of which were relatively more productive than olive trees, producing higher yields per hectare. A reduction in the output from trees in the early 1980s was believed to be caused by the old age of most trees and an invasion of couch grass. Because tree crops were exportable, large funds were allocated in the mid-1980s to remedy the situation. To fight against erosion, new trees were planted, and the effort apparently was successful.

The olive tree is well suited to the Tunisian climate because it can survive long periods of drought. An essential feature of olive culture is the irregularity of the yield. Production has varied widely from year to year depending upon rainfall and care, and seldom are there two good years in a row. Traditionally, inheritance of olive holdings was limited to the trees and not the land. Each generation, an owner's trees were divided among all his heirs, a practice that greatly fragmented holdings. One farmer

could own trees separated by several miles or share title to a single tree with several others. The system discouraged capital improvements to the olive groves and in many cases made adequate care impossible.

Tunisia had traditionally been one of the world's largest producers of olive oil, but production diminished steadily during the 1970s and the first half of the 1980s. The average annual yield had been 700 kilograms per hectare in the late 1960s but had fallen to 570 kilograms in the late 1970s, when a government survey showed that between 5 million and 9 million of the 55 million olive trees in the country were yielding too little to justify further cultivation. An extensive program of branch and root pruning and removing underproductive trees was undertaken. This, coupled with the planting of new olive trees to combat erosion, assured the authorities of an increase in production through the 1990s.

The olive industry provided as much as one-half of the agricultural jobs and supported nearly 1 million people. As a result of the new olive tree plantings, almost 80,000 additional farmers had been persuaded to shift from growing wheat and maize to growing olives. The trees would take about 15 years to bear fruit, and production was expected to reach 180,000 tons annually. Domestic consumption of olive oil, generally around 45,000 to 50,000 tons a year, would be growing at a much slower rate and was expected to remain significantly lower than the domestic supply. Meanwhile, Western Europe, Tunisia's traditional olive oil export market, would have reached self-sufficiency in that commodity. Since early 1986 competition from Spain and Portugal, new members of the EEC, made the future of Tunisian olive oil exports appear bleak. In the mid-1980s revenues from olive oil exports were equal to an average of US\$70 million a year. In an effort to boost domestic demand, the government had imposed import restrictions on all competing vegetable oils, initiated trade negotiations with France to protect its sales, and started promoting its olive oil in new markets. In spite of these measures, the results of increased production and therefore lower world prices were bound to hurt the Tunisian national income by the end of the 1980s.

The land allocated to vineyards changed from a minimal share before the Europeans lived in Tunisia to large areas covering much of Cape Bon and the northern coastal hills by the time of Tunisian independence and reverted to a small amount as of the mid-1960s when Tunisia forfeited the French wine market. In the mid-1980s some 34,700 hectares were planted to grapes, and the yield from



Olive groves near Sfax
Courtesy Embassy of Tunisia, Washington

28,000 hectares was used for winemaking. The significant funds allocated to improving vineyards in the 1982–86 plan reflected renewed interest in the production of both quality table grapes and wines mainly for export.

Citrus fruit production was a relatively recent but expanding industry. The major citrus fruit areas were between Tunis and Cape Bon and in the vicinities of Nabeul and Hammamet. Most orchards were small—90 percent were under 10 hectares—but, being irrigated, were capable of steady production and were not drastically affected by drought. Having received significant funds and attention throughout the 1970s and the first half of the 1980s, citrus production was increasing rapidly. About 25 percent of the annual output was exported, and the remainder went either to the domestic market or to the growing food-processing industry. Despite Spain and Portugal's admission to the EEC, Tunisian oranges, described as unmatched in juiciness and flavor, would continue to be in demand in West European markets.

Date production was of prime importance to farmers living in the southern oases around Gabès, Medenine, and Gafsa, where



Tunisian farm workers
Courtesy International Labour Organisation

groves of date palms totaling 18,000 hectares offered the only possibility of commercial agriculture. Dates have high nutritional value and in drought years serve as a staple—sometimes as the only food—for much of the human and animal populations on the desert's edge. During average years more than two-thirds of the crop are consumed within the country, and date pits and inferior varieties are used as animal fodder. Superior strains are exported. Numerous date farmers have begun to adopt modern techniques of cultivation, and processing plants have been built at several oases. In the 1980s agronomists calculated that as little as one hectare of land in an oasis, if properly cultivated with a mix of dates and fruits, could generate a fairly large annual income for a farm family. An additional incentive to encourage date cultivation has been the increased international demand for dates.

Vegetable cultivation included items essential to the Tunisian diet—chick-peas, eggplant, artichokes, broad beans, turnips, and



Workers irrigating seedlings on a date plantation
at Nefta in southern Tunisia
Courtesy World Bank/William Graham

peppers—and enough of the more common European table vegetables, such as tomatoes, red peppers, potatoes, onions, peas, carrots, and melons, to support a small yet growing export industry. The total area in vegetables in the early 1980s was estimated at 105,000 hectares. Truck gardening had long been established on the northern and central coastal plains, and vegetables covered nearly one-half of the cultivated land in the northeast and slightly more than one-quarter of the central plains. They also accounted for nearly one-half of the crops on irrigated land. A network of experimental and demonstration farms had been established east of Tabarka along the northern coast to disseminate knowledge of advanced methods to the farmers of the area. Additionally, around 215 hectares of greenhouses and 895 hectares of small plastic tunnels were built near Monastir and Sfax as a first step toward more all-weather production. Early ripening vegetable strains would give Tunisia the opportunity to export profitably to West European fresh produce markets before the northern season.



Harvesting dates at El Hamma du Jerid
near Tozeur in southern Tunisia
Courtesy World Bank/William Graham

Sugar beets covered 2,000 hectares of land in the early 1980s. Production had expanded rapidly but not fast enough to satisfy local demand. The government planned to increase the land under cultivation to 11,000 hectares by 1986, a most ambitious and perhaps unrealistic target, or at least to stimulate production to meet as much as one-third of the national sugar requirements by 1986. In the first half of the 1980s, sugar production met only a tiny percentage of domestic requirements, and imports reached 70,000 tons a year. Tobacco was increasingly cultivated, but production remained below the domestic demand. Small amounts of cotton were grown until 1977, when a cotton expansion program was successfully launched by the government on state farms to meet the needs of the growing textile industry, which was having to import its raw materials. Figs, pears, apricots, apples, peaches, plums, cherries, and almonds were other crops grown profitably by Tunisian farmers.

Livestock, Fishing, and Forestry

Sheep were the predominant livestock, numbering about 4.5 million head in 1984. The numbers of sheep, goats, and cattle were all multiplying rapidly; cattle were estimated at 600,000 head in 1984 and goats at 800,000. The number of chickens had reached 14 million, and poultry production was on the rise. Nevertheless, livestock production was still short of the domestic demand in the mid-1980s. Rainfall was the critical variable in animal husbandry because most animals depended on natural vegetation. Because the government was concerned about Tunisia's increased reliance on food imports, the cultivated areas producing dry fodder were to be increased by three times to about 800,000 hectares by the end of the 1982-86 plan. Attempts were also under way to improve the quality of the herds by importing breeding stock and using better care and feeding methods. Tunisia also had about 173,000 camels, 205,000 donkeys, 70,000 mules, and 52,000 horses.

The fishing industry achieved notable growth during the 1970s, but production reached a plateau of around 65,000 tons—the volume of local demand—during the first half of the 1980s. The industry had a potential of at least 100,000 tons but suffered from inadequate equipment and from difficulties linked to the marketing of any larger catch. The National Fishing Office, which owned part of the trawler fleet, was responsible for supervision and development of the industry. In the mid-1980s it was involved in a major effort to increase production by supplying fishermen with more modern equipment, building more cold-storage rooms and warehouses in Tunisian ports, and operating larger distribution networks. Because Tunisian fishing waters had not been fully exploited, the country signed an agreement with Italy in 1976 permitting a limited number of Italian trawlers to fish within Tunisian territorial limits in exchange for an annual payment. But increasingly Italian fishermen were competing with the Tunisians in the mid-1980s and undermining Tunisian output. The National Fishing Office was also promoting the cultivation of shellfish, which were available not only on the coastline but also in the numerous lakes, and was optimistic that future production would be significant.

There were only about 800,000 hectares of land classified as forests in Tunisia; of these, about 296,000 hectares were actually wooded, mainly with pine, oak, cork oak, and eucalyptus. Firewood production was the major output of the forest industry, followed by timber and cork production. Esparto grass grew wild in the steppe and was collected and used as a raw material for the small paper

industry and for cordage. Protective measures against erosion taken in the mid-1980s involved reforestation of around 11,000 hectares. Tunisians of the forest regions were expected to benefit from the large number of new jobs and the increased production, which should total about 11,000 tons of cork and 100,000 tons of esparto grass by the end of the 1982-86 plan.

Industry

Of all the sectors of the Tunisian economy, industry (including manufacturing, mining, construction, and energy production) has realized the greatest economic growth since 1956. Industrial expansion was particularly remarkable in the 1970s, when annual growth sometimes reached 10 percent. In the early 1980s growth slowed down considerably to about 2.5 percent but later picked up again, and industrial output was growing at nearly 6 percent a year in the mid-1980s. The reasons for the vigorous development of the industrial sector were numerous. Among the most important was the increasing support given by the Tunisian government to private investors in manufacturing in the form of various tax breaks, credit facilities, and other advantages (see Balance of Payments and External Finance, this ch.). Also of major importance to the industrial sector's growth was the rise in oil, gas, and phosphate prices that occurred in the early 1970s and lasted into the early 1980s.

Tunisian industry was quite well diversified, although phosphates and oil dominated the export revenue picture, followed increasingly more closely by the textile subsector. In the mid-1980s about 40 percent of total investment funds went toward modernizing, diversifying, and generally enhancing industry. Particularly favored were the mechanical industries, electricity generation, and consumer goods production. More than half of Tunisia's imports consisted of inputs for industry: equipment, raw materials, and semifinished products. The government believed that the problems of unemployment and the trade deficit would be largely reduced by continued industrial growth. Industry had indeed created about 65,000 jobs, most of them in manufacturing, between 1982 and 1985.

Hydrocarbons

Tunisia's hydrocarbons industry was small; Tunisian oil and natural gas output made up only a fraction of 1 percent of the total

tion, and trade. In 1985 Tunisia was not a member of the Organization of Petroleum Exporting Countries (OPEC), but it generally followed OPEC's pricing patterns.

Annual production was about 39 million barrels of light-grade petroleum. Tunisia was a net exporter of crude oil and, despite rapidly rising consumption at home, was expected to remain self-sufficient for a good number of years. Nevertheless, significant amounts of heavy low-grade crude oil were imported for domestic needs.

There was a major oil refinery at Bizerte with an annual output of about 1.8 million tons a year. In 1985 a project to expand that refinery's capacity to between 3 million and 4 million tons was under way. The increased capacity would significantly cut down on fuel oil and distillate imports supplied by Algeria.

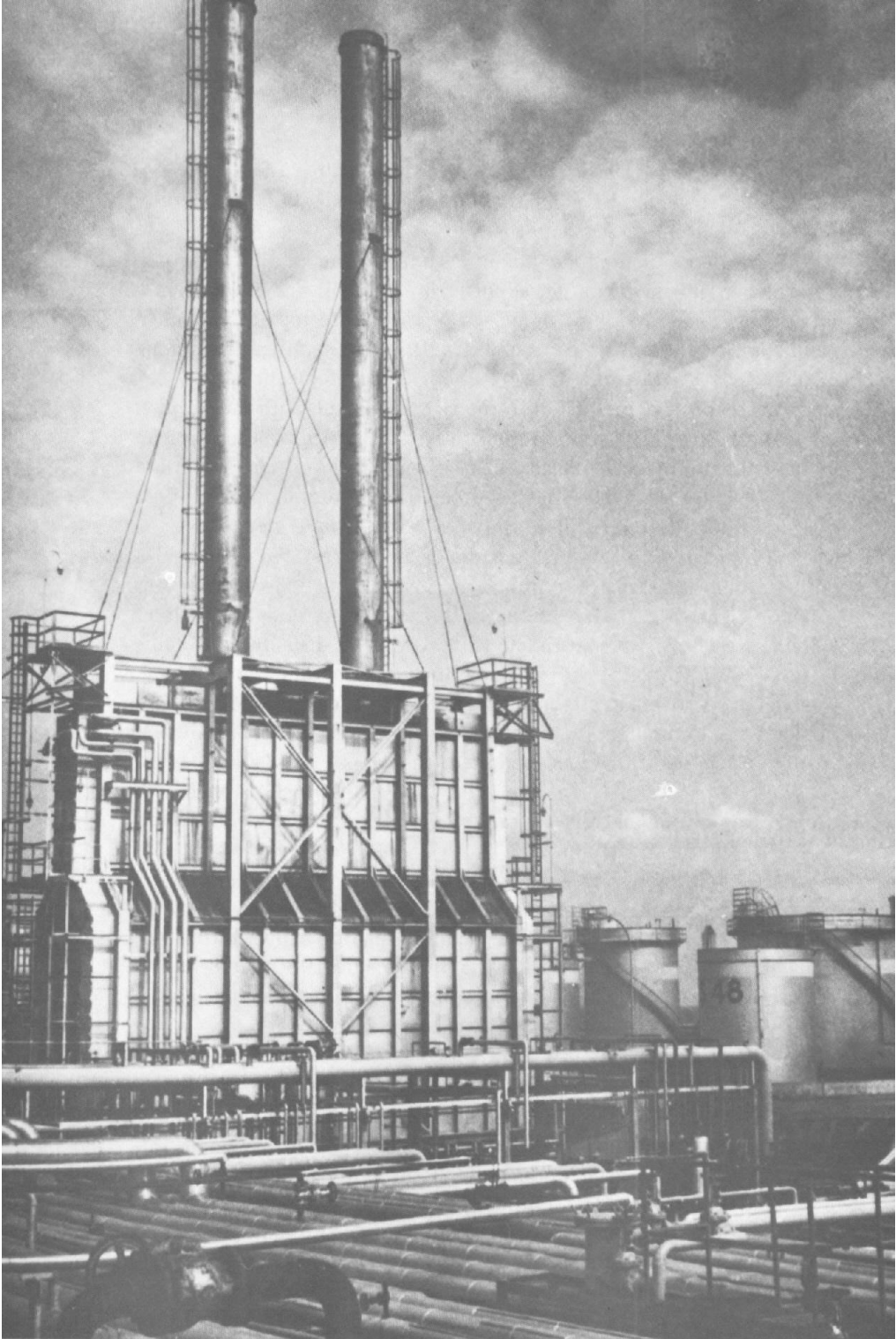
The discovery of natural gas deposits had resulted from petroleum explorations. Gas was found in several locations in four different general areas: Cape Bon, El Borma, Sfax, and the Gulf of Gabès. Reserves were estimated in 1981 at 159 billion cubic meters. A rich quantity of gas, not included in this last estimate, was believed to exist offshore at Miska. The development of the Miska field awaited a financial assessment and the choice of exploitation companies. When exploited, the Miska field should triple present output levels. In the mid-1980s, production stood at around 43 million barrels a year, which was about equal to Tunisia's national gas consumption.

An additional source of natural gas for Tunisia came as a result of the Algerian-Italian gas pipeline, which crossed 360 kilometers of Tunisian territory. The pipeline also distributed 153 million cubic meters of gas to Tunisia in the mid-1980s and was to provide at least triple that quantity before the end of the decade.

Other Mining

Phosphate was the predominant mineral, and the phosphate industry was a vital element of the Tunisian economy. Tunisia was the world's fifth largest producer of phosphate rock, with a 4-percent share of the world's output. Its phosphate quality, however, compared poorly with that of its competitors. Annual production was around 5 million tons in the mid-1980s, of which a little less than one-half was used domestically.

Phosphate mines were located mostly in the west-central area and the southwest of the country. They were totally state owned and operated, which was true of all the mining industry. The Gafsa Phosphate Company (Companie des Phosphates de Gafsa—CPG)



Petroleum refinery at Bizerte
Courtesy Embassy of Tunisia, Washington

handled phosphate research, production, processing, and marketing. Studies forecasted a doubling of the outputs of phosphate rock and phosphoric derivatives as new mines were likely to be exploited at Oum Kecheb, Jellabia, Le Kef, Eddour, and Sra Ouertane before the end of the decade. However, the demand for phosphates in the world market was falling and with it revenues from exports of phosphate rock.

Tunisia had stepped up its production of phosphate derivatives because the demand for them was much less variable than that of phosphate rock. A number of phosphate processing plants existed in the country, the most important of which were located at Gabès and Sfax. In 1985 a large new plant was under construction by contract with a French firm at Sakhira. The construction of another large integrated complex to be located at Gafsa was to start in 1986, with 49 percent of the investment funds supplied by Kuwait. That complex would become the third such Kuwaiti-CPG joint investment in Tunisia. Kuwait and Tunisia were also partners in a plant located in Kuwait that processed Tunisian phosphate. In 1985 Tunisia and Kuwait entered into a similar arrangement with China involving the construction of a fertilizer complex there. Projects to build fertilizer complexes in Pakistan and Turkey were also under study.

Phosphate derivatives produced by Tunisia included ammonium nitrate, diammonium, and phosphoric acid. Tunisia was the world's third largest exporter of phosphoric acid, the production of which reached 600,000 tons a year in the mid-1980s. Average annual production of ammonium nitrate and diammonium amounted to 250,000 tons and 400,000 tons, respectively.

One of the causes for the reduced demand for phosphate abroad was the shortage of funds resulting from cuts in farm subsidies in importing countries. Knowing that, Tunisia entered into barter agreements as another way to dispose of its supply of phosphate rock. Such arrangements were made in 1984 when Tunisia and Romania agreed to exchange phosphate for timber and Tunisia and Britain exchanged phosphate for small-scale capital equipment.

The National Mines Office, founded in 1962, conducted research into mineral deposits that appeared to be commercially exploitable and in some cases carried out the exploitation itself. Other than phosphate, Tunisian mineral resources included iron ore, lead, zinc, fluoride, and mercury. Surface iron ore deposits were abundant, particularly in the north and in the central area near the Algerian border. All mines were of the open pit variety, and the ore was high grade. Average yearly production totaled 320,000 tons in the mid-1980s, of which a significant portion was

used in the domestic steel industry and the remainder exported. About a dozen lead mines were operating; reserves of lead were estimated at 450,000 tons, and production reached 8,000 tons a year. Estimates of zinc reserves in the early 1980s were adjusted upward from previous figures. Reserves were placed at 550,000 tons; production of zinc had been increasing substantially and reached 13,700 tons a year in the mid-1980s. Output of fluoride and mercury was negligible. Increasing amounts of marble were quarried and met most of the national demand. Salt, obtained by open-air evaporation of seawater, met both domestic and export requirements. In the mid-1980s, Tunisia was exporting around TD390,000 worth of marine salt each year to the United States.

Manufacturing and Handicrafts

Manufacturing, formerly the smallest and least important sector of the Tunisian economy, had undergone the greatest expansion and provided 14 percent of GDP in 1984. Tunisian manufacturing included textiles, processed foods, shoes and other leather products, steel, automobiles, chemicals, small mechanical and electrical products, and traditional crafts.

Tunisia adopted import-substitution policies between the mid-1960s and the early 1970s but then reversed its economic policy to promote export industries. During the initial stage of industrialization, Tunisian manufacturing was protected from external competition and relied on the domestic market to sell its output. Consequently, it was often producing poor-quality items and producing them inefficiently, not being able to take advantage of large-scale operations. As of 1972 Tunisian authorities relaxed import restrictions, encouraged foreign investment, and directed national manufacturing toward producing goods over which Tunisia had a comparative advantage and could export (see Balance of Payments and External Finance, this ch.). Private investment quickly reacted and increased so much that the share of investment in manufacturing doubled between 1971 and 1983, when it reached 22 percent. Most of the public investment had been directed toward chemicals, construction materials, and food processing while the private sector invested mostly in textiles and the remaining smaller industries.

The Investment Promotion Agency, an autonomous institution, advertised foreign investment in Tunisia and also assisted both domestic and foreign investors in speeding up licensing agreements and obtaining financial assistance. The Industrial Land Agency, a subsidiary of the Investment Promotion Agency, acquired industrial

landsites throughout the country (except for those in Tunis) and either rented or sold the land and buildings to industrial promoters for development and resale to enterprises at subsidized prices. Another agency controlled new industrial sites in and around Tunis in a similar manner. Market studies, sectoral studies, and project feasibility studies for prospective investors were carried out by yet another government agency. As of the late 1970s the Investment Promotion Agency and the Industrial Land Agency were offering more generous support to projects that would be located away from the Tunis area. The high concentration of manufacturing there conflicted with the later plans' objectives of reducing regional development disparities. Additionally, in the 1980s the government agencies started to support small crafts and artisans' enterprises that had long been neglected.

Manufacturing employed about 20 percent of the labor force. The large majority of manufacturing enterprises were small and employed very few people. Even larger enterprises often deliberately chose labor-saving techniques because of the nature of the Tunisian labor market. Most Tunisian laborers were unskilled and, backed by strong unions, overpaid in relation to their productivity. The small number of managerial and technical workers were hardly better remunerated, which discouraged the workers from seeking higher training. Few of those who did so remained in Tunisia. There was, therefore, less employment-generation from industrial growth than had been predicted in the government plans. Nevertheless, manufacturing did create at least 100,000 new jobs between 1975 and 1985.

The food-processing industry had been the most important segment of manufacturing until the mid-1980s, when lower agricultural output caused it to decline somewhat. Food processing made up a little less than one-quarter of Tunisia's manufacturing output. It produced mainly for domestic consumption with the exception of such items as olive oil and fish. Tunisia had the potential to become a net exporter of food products with increased investment in modernization of agriculture and the agro-processing plants. The cereal industry, which included both grinding grain and manufacturing related products, was government operated. Olive oil, one of the country's traditional exports, and other olive by-products were processed in over 2,000 small factories. Sugar was refined by two companies: a private enterprise in Tunis that made lump sugar and the government-owned Tunisian Sugar Corporation in Béja.

In the mid-1980s textiles constituted the most important manufacturing industry in production and employment. The industry still suffered from inefficient operation and quality control. Tunisia



An artisan embroidering a saddle blanket in the Tunis souk

cent of Tunisia's total manufacturing output. The electrical industries included plants assembling or manufacturing television receivers, radios, sewing machines, lamps, and other electrical equipment. A wide variety of mechanical equipment, such as boilers, radiators, and tools, was also produced. Numerous small plants made miscellaneous household and industrial goods. The electric and metallic industries formed 13.5 percent of manufacturing output. They offered some potential for additional and possibly alternative export products in the future as oil and gas exports tapered off. Together with the steel and automobile industry, they supplied 11 percent of the jobs in the private manufacturing sector. The mechanical and electric industries were, however, hampered by a number of production and marketing problems.

Construction of housing units, hospitals, and schools was a major goal of the 1982-86 plan, and consequently the demand for construction materials boomed during that period. Large invest-

sent much of its output to Italy and France for the final finishing stage and had made a number of arrangements with its trade partners to receive technical advice. The industry was composed of state-owned plants, private Tunisian factories, and foreign-owned ventures, and the General Textile Industry Corporation (*Société Générale de l'Industrie Textile—SOGITEX*), one of the government-owned companies, was the dominant element. In line with the policy to liberalize the Tunisian economy, the government offered SOGITEX shares to the private sector, but only a few had been bought as of 1985. After a period of very rapid expansion, which fulfilled domestic needs, textile manufacturers turned to overseas markets. But they began to face serious problems beginning in 1977 and continuing into the 1980s as a result of import quotas imposed by the EEC, the main market for Tunisian textiles. Nevertheless, the textile industry had established itself as an important source of foreign exchange.

Ancillary to textiles was the leather and shoe industry. The main tannery was government-owned, but all leather products were made by the private sector. A broad range of shoes was produced, and the industry had grown from one that barely met domestic demand in the late 1970s to an export industry selling 30 percent of its output abroad in the mid-1980s.

The steel industry consisted of one government-owned iron and steel plant at El Fouladh near Bizerte, which produced billets, concrete rounds, steel structures, and galvanized products and operated at high capacity. Automotive assembly and parts manufacturing was one of the major import-substitution industries. The assembly of automobiles, trucks, and buses was handled by one firm, the government-owned Tunisian Automobile Industry Corporation (*Société Tunisienne de l'Industrie Automobile—STIA*) located at Sousse. The STIA attempted to reduce its dependence on imported automotive parts by producing them domestically. Among such parts and equipment manufactured in Tunisia were batteries, spark plugs, and tires. It was estimated that a Peugeot factory at Sidi Abdelhamid produced about 16,000 vehicles per year. In 1985 construction began on a large Volkswagen plant with funds supplied by the parent company, Tunisian businessmen, and development banks. The plant was to start operating in 1988 and would produce about 5,000 vehicles a year and employ 400 people.

There was a growing chemical industry dominated by the production of fertilizers, which had received heavy government investment. State-owned and joint-venture chemical companies made additional products, such as pesticides, detergents, pharmaceuticals, paints, and perfumes. The chemical industry constituted 11.3 per-

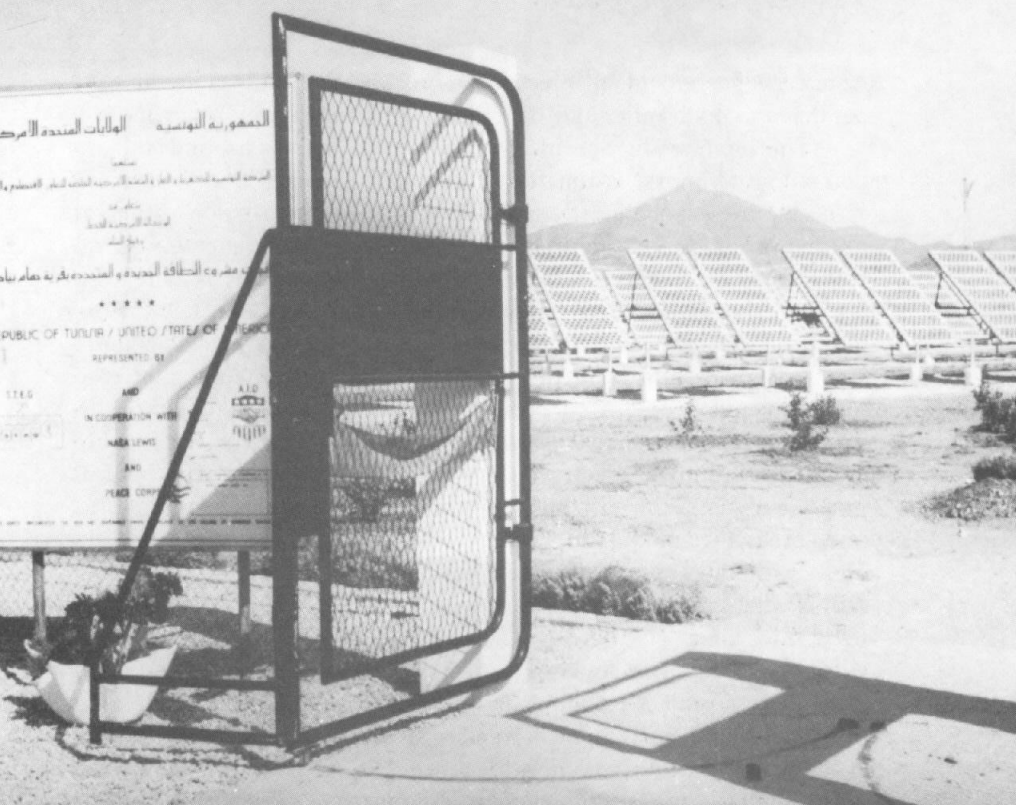
ment funds went into the industries producing cement, bricks, and ceramics in an effort to reduce Tunisian reliance on foreign sources for these products. The construction industry made up about 17 percent of the total manufacturing output in the mid-1980s. To a large extent the construction industry was privately owned, and the number of large contractors employing modern equipment was increasing.

Artisanry and handicrafts held an important place in the economy because of the large number of people working their traditional trades. Exposure to different cultures and customs over the centuries had developed a distinctive and widespread handicrafts industry. Handicrafts could be divided into two varieties: the utilitarian and the artistic. The former rapidly became obsolete because of competing imports and cheaper products of the modern domestic manufacturing sector. The latter was an important part of the economy, which the government sought to preserve and promote for tourist and export purposes.

More than 100,000 people depended on handicrafts to provide all or part of their livelihood. They worked mostly on a family basis or in small workshops where the owner worked along with his assistants. There were, however, some individuals who worked independently and others, mostly women, who worked at home either for themselves or for a manufacturer or trader. Many craftworkers still belonged to organized guilds as they did centuries ago.

In 1959 the National Handicraft Office was established to operate handicrafts shops, to supervise the quality of products for export, to promote marketing at home and abroad, and to help form cooperatives of craftworkers. By the early 1980s the office owned and operated numerous workshops and retail stores in most towns that sold locally produced crafts of good quality at fixed prices. Dozens of cooperatives comprising several thousand members had also been formed. These cooperatives bought raw materials and sold the finished products. They helped alleviate shortages of credit and supplies, which traditionally threatened the artisans.

The major handicraft products included textiles, rugs and carpets, pottery and ceramics, leather goods, brasswork, copperware, jewelry, embroidery, and wrought iron. Certain areas specialized in the production of particular items. Fine tunics were made at Ksar Hellah in the Sahil. Jerba Island was noted for woolens and blankets, Kairouan for carpets, and Nabeul for table linen. The government helped to make modern equipment and technical training available for the weaving of carpets and rugs. A wool-washing center, dye factory, rug finishing plant, and training center had all



Solar energy power system experiment at
Hamman Biadha southwest of Tunis
Courtesy John Metelsky

been established on Jerba Island. Modern equipment had also been acquired by the weavers of Kairouan.

Electricity

Since 1962 the state-owned Tunisian Electricity and Gas Company (Société Tunisienne de l'Électricité et du Gaz—STEG) has been responsible for the production and transmission of electricity and natural gas. About 14 percent of total electrical production, however, was generated by large self-users like industrial plants and the phosphate mines. Electricity potential was certainly underdeveloped; hydropower could be increased substantially if a fuller and more efficient use of dams were implemented. The STEG operated four steam-power plants, four hydroelectric power plants, seven combustion turbine plants, and a few small diesel plants.

world supply. But hydrocarbons have been indispensable to Tunisia's economic development. In just a little more than a decade, oil and gas production grew to contribute 12 percent of GDP, and petroleum exports alone earned 47 percent of all export revenues in the mid-1980s.

The first production of crude oil began in 1966 at El Borma oil field, which sits astride the Tunisian-Algerian border in the south. The two governments agreed in 1972 that two-thirds of the production from the field would be considered Tunisian and the remainder Algerian and that all production would be transported jointly to the Tunisian seaport of Sakhira for export. The El Borma field experienced loss of pressure in the early 1970s, and its output had started to drop; expensive water injection techniques used in 1977 and 1978 fully restored its production. In the late 1970s a second field, at Ashtart, came into production and soon became as productive as that at El Borma. Together the two fields accounted for 85 percent of Tunisian production. Other fields were exploited at Ad Douleb, Tamesmida, and Sidi Litayem. As of 1985, onshore reserves of petroleum were estimated at 1.7 million barrels but were being depleted quite rapidly. All of the mainland oil fields were dwarfed, however, by the deposits said to exist offshore in several places in the Gulf of Gabès. Full exploitation of the offshore fields had long been delayed because of a dispute with Libya over the extension of its border into the oil field area. The dispute was settled in 1982 in favor of Libya, but Tunisia was nevertheless able to open a number of fields to development, including those at Didon, Miska, Isis, Tazerka, Birsa, and Halk el Manzel.

All exploration in the offshore fields was done by foreign companies, mainly American, French, and Italian. Tunisian oil policies were more liberal than those of many other oil-producing countries, and it rarely entered into partnerships at the initial exploration stage. When exploration agreements did exist, they were easily converted into exploitation agreements if oil was found. Ownership was then split on a 50/50 basis as was the case for the El Borma field, but many fields were owned wholly by private firms or by companies under agreements in which the state had only a small interest. There was little intervention into the activities of the private oil companies. The major operating companies were the Franco-Tunisian Petroleum Exploiting Company (Société Franco-Tunisienne d'Exploitation Pétrolière—SOFRATEP) and the Italo-Tunisian Petroleum Exploiting Company (Société Italo-Tunisienne d'Exploitation Pétrolière—SITEP). The state company, the Tunisian Company for Petroleum Activities (Entreprise Tunisienne d'Activités Pétrolières—ETAP), coordinated all exploration, produc-

About 90 percent of all electric power was thermally generated, 2 percent was hydraulic, and 8 percent was provided by other means.

The total production of electricity in 1986 was around 3.4 billion kilowatt hours. Estimates of installed capacity were not available, but it was believed that plants were generally operating at full power to meet requirements. Demand for electricity was increasing at an average rate of 13 percent in the 1970s and even faster in the 1980s. Between 1984 and 1985 alone, electricity consumption grew by an estimated 30 percent. The rise in consumption took place mostly in the cities, particularly in Tunis, and consequently put pressure on existing capacity, causing frequent voltage drops and occasional power failures. While urban areas were practically all fully electrified, more than two-thirds of the rural conglomerates were still not electrified, and there were numerous rural areas throughout the country that did not have access to electricity at all. The government hoped to be able to double the supply of electricity to all rural areas through the execution of the 1982-86 plan.

Several alternative sources of energy were under study. A nuclear reactor project to be located at Gabès was planned. A Belgian firm had begun manufacturing solar panels, and a project mounted by the United States Agency for International Development (AID) contributed to the study of solar energy use. (Tunisia has more than 3,500 hours of sunshine annually.) The government was giving serious consideration to using coal, even if it had to be imported, instead of fuel oil and natural gas, which produced more revenue as export products.

Tourism

The gentle climate of Tunisia, its lengthy beaches, impressive and well-restored historical sites, and geographic proximity to Europe have all contributed to the country's tourist appeal. Major attractions and sites include Jerba Island, oases in the Tunisian Sahara, the Sousse and Monastir fortresses, Phoenician and Carthaginian archaeological ruins, the former Spanish port of Hammamet, the colosseum of El Jema, and the mosques at Mahdia, Zituna, and Kairouan. Jerba Island, in the Gulf of Gabès, is connected to the mainland by a causeway, the foundations of which were built by the Romans. Fabled as the home of the lotus eaters in *The Odyssey* of Homer, the island has miles of beaches, many small hotels, ancient ruins, mosques, and a Jewish colony believed to date from the seventh century B.C. with one of the oldest synagogues in the



Roman colosseum at El Jemaa, built at the beginning of the third century A.D., is one of the largest and best preserved of the Roman Empire ruins
Courtesy Embassy of Tunisia, Washington

world, which attracts about 40,000 pilgrims annually. In the mid-1980s Tunisia also had modern international tourist complexes offering sports facilities, pleasure marinas, commercial areas, hotels, villas, and apartment accommodations, such as the Port Kantaoui complex. Other sites were under construction at Monastir, Upper Ghammarth, and Tabarka.

Tourism had become one of the most important economic sectors, contributing about 4 percent to GDP and 17 percent to export receipts; revenues totaled TD415 million in 1985. Additionally, roughly 10 percent of the total Tunisian work force depended, directly or indirectly, on the tourism industry. The government owned a chain of hotels that were operated under management contracts by private concerns and generally encouraged private investment in tourism by granting, for example, liberal tax concessions.

The 1982–86 development plan particularly encouraged investment in off-season attractions, such as commercial fairs, and investment in nonpriority tourist areas. An important problem of the tourism industry was the shortage of first-class accommodations. A number of West European tour companies had built their own hotels to accommodate the influx of tourists. The industry also suffered from inexperienced hotel operators and a shortage of trained staff. The 1982–86 plan was to add about 40,000 beds to the 80,000 that existed in 1982 and to invest in the training of about 2,000 young people, some of whom had trained at institutes specializing in tourism and hotel management.

Tourists came primarily from France and, in descending order, West Germany, Algeria, Libya, Britain, and Italy. The total number of visitors had slowed somewhat in the early 1980s but picked up again in 1984–85. The number of tourist arrivals was 2.2 million in 1981, 1.4 million in 1983, and roughly 2 million in both 1984 and 1985.

Foreign Trade

Tunisia has traditionally imported mostly capital goods, raw materials, and semifinished products (see table 7, Appendix). In the early 1980s it had to import increasing amounts of foods as a result of the drought. The country's traditional exports were unprocessed phosphate, phosphate-based chemicals, oil, and agricultural products. Textile exports increasingly became a source of foreign exchange in the 1970s. Exports of manufactured products grew by about 400 percent between 1971 and 1983 to form a 10-percent share of all Tunisian exports in the mid-1980s.

The tremendous growth in manufactured exports came as a result of a change in official Tunisian policy from the import-substitution followed until 1972 to export-promotion when Tunisian authorities realized the domestic market was too small to produce efficiently or absorb all the production of a single industry. A law passed in 1972 permitted the establishment of companies producing solely for export and to be exempt from customs duties, foreign exchange regulations, and fiscal regulations applicable to other firms. In 1973 a public organization, the Center for the Promotion of Exports (Centre de Promotion des Exports—CEPEX), was created to contribute to the development of Tunisian exports. It would assist exporters by conducting market surveys, encouraging trade fairs, and disseminating commercial information. The export-promotion policies were to be strengthened throughout the 1980s by

the introduction of other institutions and laws. By 1985 new laws extended a number of important advantages to any company that exported even a small part of its output; included were reduced corporate taxes, significant reductions in social security payments, and access to simpler formalities for their input imports. Complex administrative procedures relating to export had often been cited as hindrances to greater trade volume. In 1984 the Export-Credit Insurance Company was created to cover exporters who did not have enough collateral to obtain bank loans. Export trading companies newly established in 1984 specialized in marketing Tunisian products abroad. The government was also helping potential exporters by offering easier export financing.

The trade balance was traditionally in deficit, as the country's import needs far exceeded its export capacities. The annual trade deficit in the early and mid-1980s was in the vicinity of US\$700 million, considerably higher than that of the 1970s, which was about US\$400 million. The major cause of the escalating deficit was a decline in exports in general but more particularly among exports of petroleum and of agricultural products. The deficit had a severe impact on the economy, representing about 9 percent of GDP. It was generally financed by borrowing abroad; remittances, tourism, transfers, and foreign investment offset only about one-third of the deficit.

For many years since independence France has been Tunisia's leading trading partner, not only because of the previous political and economic ties but also because French has remained the language of business, thus giving an edge to French suppliers and buyers. France's relative share of trade with Tunisia, however, has been declining as the latter has actively sought alternative markets. As a result the United States, Italy, and West Germany have also become important trade partners. The United States share of Tunisian exports was around 21 percent in the mid-1980s, or roughly US\$400 million annually, almost equal to France's share of 22.5 percent. Imports from France represented 25 percent of total Tunisian imports. Italy, West Germany, and the United States were, in that order, the next most important sources of imports. Imports from the United States amounted to around US\$300 million. Arms purchases from the United States between 1980 and 1984 were estimated at US\$200 million; military purchases from other sources, mainly France, Italy, Brazil, and West Germany, totaled roughly US\$425 million for the same period.

In 1969 Tunisia concluded a treaty of association with the EEC, and on January 7, 1976, the agreement with the EEC was elaborated to include economic cooperation. Under the agreement,

Tunisia was promised grants and loans, social security benefits for Tunisian immigrant workers, and increased access to EEC markets for Tunisian agricultural products. In 1982 more export credit was negotiated and granted. But the general attitude of the EEC in the 1980s has been restrictive. For example, it put lower quotas on the Tunisian exports consisting of products that were imported semifinished to Tunisia and then processed. Tunisian authorities were very concerned about the future of most of their exports to the EEC after Spain and Portugal entered the Community on January 1, 1986. The sales of citrus fruits, wine, fish, and olive oil were particularly threatened. In the early 1980s, the olive oil industry grossed about US\$70 million per year and supported almost 1 million Tunisians. Olives were planted on one-third of Tunisia's arable land—an area that could not be used for other crops. Tunisia's best agricultural export prospects appeared to lay in certain fruits, such as apricots and oranges, which were generally available two weeks before that of South European countries' produce.

Trade with East European countries was marginal. It was carried out under special bilateral agreements that relied chiefly on barter rather than currency as the means of settlement. The Soviet Union and Poland were the main trading partners from Eastern Europe. As a member of the Maghrib, Tunisia has benefited from Maghribi efforts to coordinate the long-range development of certain sectors of their economies, particularly as applied to trade, transportation, communications, tourism, and light manufactures. Algeria and Libya were important trading partners in the late 1970s, but bilateral trade has decreased in the 1980s. Trade with other Arab countries was marginal.

Balance of Payments and External Finance

Since 1975 Tunisia's balance of payments has been regularly, albeit not severely, in deficit (see table 8, Appendix). A merchandise trade imbalance that had amounted to around US\$700 million a year was largely the cause of the problem, and tourism receipts and workers' remittances, although significant, were not sufficient to offset it. In addition to tourism receipts and remittances, between US\$250 million and US\$350 million in foreign capital entered Tunisia yearly in the form of private foreign investment, and about \$US20 million was secured in grants. Nevertheless, Tunisia had to borrow about US\$400 million a year in the 1980s to balance its current account deficit. The country's international re-

services were resorted to sparingly and had been maintained at around US\$500 million.

The vigor of the United States dollar in the 1980s had made repayments on loans contracted in the late 1970s extremely costly. The total foreign debt outstanding at the end of 1984 was estimated at US\$4 billion, equaling about TD3.2 billion or a ratio of 45 percent of GDP, and a debt service ratio of around 18 percent. In 1984 alone some US\$500 million was raised in foreign loans, an amount 35 percent higher than the yearly average of the early 1980s and reflective of recent poor trade performance.

Despite hopeful official expectations of better agricultural production, larger tourism receipts, and incoming foreign investment, trade deficits were predicted by international economists until the early 1990s. Thus, Tunisia would be obliged to continue securing foreign loans for some time in the future. Furthermore, purchases of important military equipment from the United States began in the early 1980s. The United States Department of Defense estimated repayments to cover these purchases, often omitted from economists' assessments of Tunisian debt, at around US\$41 million in 1985 and US\$52 million in 1986.

The climate for foreign investment in Tunisia has been excellent since 1972. Before then, the nationalization in 1964 of foreign-owned lands and the lack of guarantees in the investment laws were the chief reasons for a low rate of private foreign investment in the country. A new investment code in 1972 granted complete foreign ownership for export-oriented industries as well as numerous concessions, such as tax advantages and the guaranteed right to repatriate capital and profit. In 1974 a law was enacted to promote employment-creating investments and investments in domestic-oriented industries. In 1976 offshore banking units were approved. These institutions were allowed to conduct business with nonresidents, grant credit to residents, and participate—with prior approval of the central bank—in the capital of resident companies. The 1974 law was revised in 1981 to offer further advantages to investment in the manufacturing industry—particularly the high-technology industry—and in projects promoting regional development and industrial decentralization. Economic and political stability in Tunisia, along with pleasant living conditions and efficient telecommunications, have traditionally encouraged overseas private investors to enter into Tunisian operations. Around TD600 million in direct foreign investment had been raised in the period from 1983 through the first half of 1985.

About 60 percent of all direct foreign investments in the mid-1980s was in oil and gas exploration and development. There were

also large amounts of foreign investment in the textile industry and, since the early 1980s, in tourism and real estate. American business activity was concentrated in oil and gas, and the yearly expenditures of exploration operations were between US\$150 million and US\$200 million. American equity as of early 1985 was under US\$10 million and limited to a joint-venture automobile and pickup truck assembly plant and a small food-processing plant. The amount of American equity investment in Tunisia may grow significantly, however, as a result of a focused effort directed at United States investors by AID, and Tunisian agencies, such as the Investment Promotion Agency, the Agricultural Investment Promotion Agency, and the Tunisian-Saudi Company for Investment and Development. Conferences held in Sousse and Hammamet have endeavored to stimulate investment in manufacturing, farming, and food processing as well as in constructing warehouses, which are to be used as transit points for the distribution of manufactured goods in the Middle East, Europe, and Africa. The main obstacle to American business in Tunisia as of 1985 was the absence of a dual taxation treaty between the United States and Tunisia. Negotiations between the two governments were held in 1983 and again in 1984 regarding a proposal to reduce income taxes on American employees and corporate taxes on foreign companies.

Tunisia has received foreign assistance from a variety of sources since 1956. Increasingly, however, it has resorted mainly to official governments rather than to private banks and commercial partners, although the latter still supplied about 30 percent of the total loans contracted in the 1980s. Foreign grants were in decline, as Tunisia was accepted more as a middle- rather than a lower-income country. Nevertheless, Tunisia's consistently efficient management of its modest resources had earned it an appreciable amount of soft loans.

Traditionally, Tunisia's most important creditors had been the United States, France, and increasingly, West Germany. Beginning in the mid-1970s credit from Arab countries (particularly Kuwait), and international organizations, such as the IMF, the World Bank, and the United Nations, increased significantly although never reaching the scale of American, French, and West German aid. In Western Europe, Italy was another important creditor. Communist countries—mainly the Soviet Union, China, Bulgaria, Romania, Yugoslavia, and Hungary—have extended minimal credit, often in the form of trade loans.

Transportation and Telecommunications

General control and management of all forms of transportation are the responsibility of the Ministry of Transport, which has coordinated road, rail, sea, and air services and has established rates. In the mid-1980s the transportation system was relatively well developed, particularly in the northeastern part of the country, where population and economic activity were concentrated (see fig. 9).

Railroads were the most important element of the transportation system. Trackage totaled about 2,152 kilometers, of which about 500 kilometers were standard gauge. The geographical distribution of the rail system reflected its commercial function in linking mining and main agricultural regions to the seacoast. Three narrow-gauge lines running southwest from the coast joined the phosphate regions west of Ebba Ksour, Fériana, and Gafsa to the port cities of Tunis, Sousse, and Sfax, respectively. A narrow-gauge coastal line linked Tunis to the eastern port chain as far south as Gabès. Standard-gauge trackage was confined to the northern quadrant defined by Tabarka, Bizerte, Tunis, and Nabeul. The section connecting Tunis to the Algerian border was the eastern extremity of the international rail link to Casablanca.

During the French protectorate period, the rail network was operated by a private organization. Nationalization after Tunisian independence brought the lines under a newly created state corporation, the Tunisian National Railroad Company (*Société Nationale des Chemins de Fer Tunisiens—SNCFT*). The bulk of revenues was provided by the transport of freight, particularly phosphates in the south of the country. The SNCFT directly employed about 10,000 workers.

Tunisia inherited a fairly extensive highway network and improved upon it; but the design characteristics were insufficient for the growing volume of traffic, and much rehabilitation was required to bring the system up to modern standards. As of 1985, there were about 23,695 kilometers of what were termed classified roads (first-, second-, or third-class roads) plus about 14,000 kilometers of seldom-used forest and agricultural roads. About one-half of the classified roads were paved. Almost 10,000 kilometers of the classified roads and an equal amount of the unclassified roads were further categorized as rural roads, defined as being outside the urban areas and carrying almost entirely agricultural traffic. The rural roads were poorly maintained, mostly unpaved, and almost impassable in wet weather.

The road system was used by about 90 percent of passenger and freight traffic. All coastal cities were linked to inland settle-

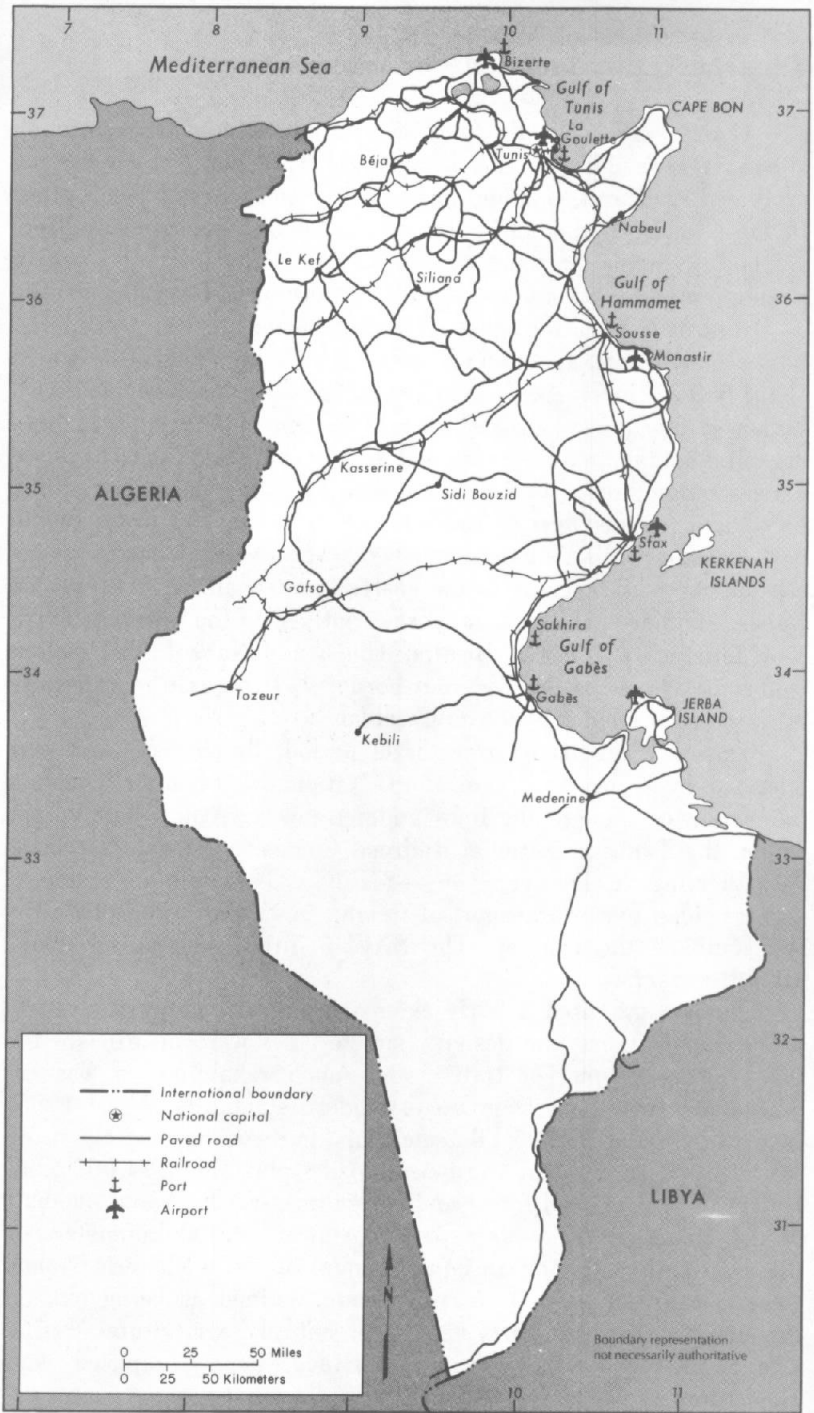


Figure 9. Transportation System, 1985



Modern equipment
on the rail line
from Tunis to Sfax
Courtesy of Embassy
of Tunisia, Washington



Loading cargo at the port
of Tunis-La Goulette
Courtesy World Bank
William and
Christine Graham

ments and were connected with the road networks of Algeria and Libya. In the south the road system served a vital function in linking southern areas, notably the city of Medenine and Jerba Island to the southernmost railhead at Gabès. Commercial road services were managed by a series of 21 local and provincial public transportation companies that were created out of the hundreds of small trucking and bus firms that had previously operated independently. These local enterprises were organized into the National Transportation Company, which was attempting to standardize equipment and coordinate interregional commercial transportation so that fullest use could be made of existing units. Both the railroads and the bus companies operated at a loss because fares were deliberately kept low as a social policy.

The country had six major seaports—Tunis-La Goulette, Bizerte, Sfax, Sousse, Sakhira, and Gabès—as well as about 45 smaller ports, of which 23 were really only traditional fishing har-

bors. Sakhira handled Algerian and Tunisian petroleum exports, and Sfax held a monopoly on the export of olive oil and phosphates. Bizerte and Tunis-La Goulette handled most of the imports. In terms of volume of cargo handled, the ports of Sfax and Bizerte were the busiest. But both had reached their handling capacity, about 13 million tons of cargo, by the early 1980s, and expansion of their facilities was required to avoid congestion. Roughly 85 percent of the maritime traffic was international, mostly with countries in Western Europe, North Africa, and the Middle East.

There was one shipping concern as of 1985, the Tunisian Shipping Company (Companie Tunisienne de Navigation—CTN), established in 1958 with the controlling interest owned by the government. In the second half of the 1970s the CTN began to acquire additional vessels in an attempt to expand its fleet. By 1985 the merchant fleet consisted of 18 vessels, a small number in comparison with the national fleets of neighboring Arab countries. The fleet included oil tankers, multipurpose vessels, and car ferries, the latter connecting Tunisia with French and Italian seaports to facilitate tourism and the trucking of merchandise. By the mid-1980s the merchant marine had reached a stage where it faced a shortage of qualified personnel, and the Advanced Merchant Marine Institute was established to train several hundred students annually.

Major airfields were at Bizerte, Tunis, Monastir, Sfax, and on Jerba Island. Minor fields were at about 12 other locations throughout the country. The main international field was in suburban Tunis and was designated Tunis-Carthage. The airfield on Jerba Island was improved to accept international jet traffic, and the one at Monastir was similarly constructed in the hope of attracting direct jet service from Western Europe. In the early 1980s a new international airport at Tawzar, 110 kilometers southwest of Gafsa, began receiving traffic—most of it still domestic—in an endeavor to accommodate tourism in the southern part of Tunisia.

The national airline, Tunis-Air, was owned jointly by the Tunisian government, Air France, and private Tunisian investors; the state had the controlling interest. The company in the early 1980s owned 10 Boeing 727s, four Boeing 737s, and one Airbus 300. Tunis-Air had a monopoly on all domestic air traffic and operated scheduled service between Tunis and other Tunisian cities and to several foreign countries. In 1975 Tunis-Air founded a subsidiary company called Tunisavia to operate domestic charter flights, but in 1976 Tunisavia began some scheduled service, including flights to Malta.

All telecommunications were under the control of the Ministry of Transport and Communications. By 1985 almost 90 percent of

the telephones in the country were automatic, a result of a long-range program to introduce gradually automated switchboards to cut telephone rates and improve service. Automated telephone links also existed with West Europe, and telex services connected Tunisia with several West European and neighboring Arab countries. Telecommunications facilities included open-wire lines, a coaxial cable to Algeria, and radio relays to Algeria, Libya, and Italy. Tunisia was a member of the International Telecommunications Satellite Consortium (Intelsat) with a major station at Dkhira. In the mid-1980s, an Arabsat satellite backup control station was also under construction.

* * *

Readers with a continuing interest in the Tunisian economy might want to consult recent issues of periodicals such as *Africa Research Bulletin*, *Marchés Tropicaux et Méditerranéens*, *Middle East Economic Digest*, *Financial Times*, and *Quarterly Economic Review: Libya, Tunisia, Malta*. For readers interested in investment in Tunisia, recent information on pertinent laws can be found in the International Monetary Fund's *Annual Report on Exchange Arrangements and Exchange Restrictions*. Analysis of particular sectors of the Tunisian economy are covered in the publications of the various United States government agencies, such as the Department of Agriculture, the Department of Labor, the Department of Commerce, and the Bureau of Mines. Also helpful are the official Tunisian government publications and the semi-official periodicals, *Conjoncture* and *Dialogue*. (For further information and complete citations, see Bibliography.)

