

THE SOCIALIST EXPERIMENT IN TUNISIA

1961-1969

by

Leslie JoAnne Gunn

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THE GRADUATE SCHOOL
UNIVERSITY PARK
LOS ANGELES, CALIFORNIA 90089

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This dissertation, written by

..... *Leslie JoAnne Gunn*

*under the direction of h.er..... Dissertation
Committee, and approved by all its members,
has been presented to and accepted by The
Graduate School, in partial fulfillment of re-
quirements for the degree of*

DOCTOR OF PHILOSOPHY

..... *Barbara Solomon*

Dean of Graduate Studies

Date January 23, 1987

DISSERTATION COMMITTEE

..... *John S. Oell*
Chairperson
..... *Jonathan D. Aronson*
..... *Richard B. Kuy*

For my parents,
Mother, in appreciation and love;
Father, in loving memory.

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CHAPTER I

INTRODUCTION

STATEMENT OF THE PROBLEM AND STRUCTURE OF THE DISSERTATION

During the 1960s, Tunisia's economic policy underwent two fundamental shifts in its orientation. The first shift, which occurred at the beginning of the decade, represented an important break with the *laissez-faire*, "open-economy" policies inherited from the colonial era, and evolved relatively gradually as compared to the second shift. The new policy was based on centralized planning to achieve accelerated economic development. Through planning, the government set goals for the country, and was to intervene directly in the economy to achieve these goals rather than rely on the unhampered operation of the market. These goals included untraditional (from a liberal perspective) objectives such as self-reliance and more equitable distribution of income. The cornerstone of this program was the cooperativization of the commercial and agricultural sectors of the economy. The economy would essentially be mixed, with the coexistence of a state, a cooperative, and a private sector. This new policy orientation was

proclaimed by the Tunisian leadership as "Tunisian socialism," and was, in fact, a shift to a more closed economy with greater state intervention.

Whereas the first policy shift appears to have occurred incrementally, the second shift under consideration was an abrupt rejection and reversal in 1969 of the previous policies. In particular, the cooperative structures were almost completely dismantled; in the case of agriculture, this occurred virtually overnight. The person most closely identified with the economic policies of the 1960s, Ahmed Ben Salah, was dismissed and later tried for treason. Although the Tunisian economy remained "mixed," and the label of "Tunisian socialism" retained, since 1969 economic policy has been increasingly liberalized to encourage the Tunisian private sector and to open the economy for more international trade and investment.

Thus this is a case of the adoption and subsequent rejection of socialist-style economic policies in a developing country. The questions which must be answered are: Why were the new policies adopted? Why were they then reversed? What, if any, theory of international relations can explain or could have predicted the events in Tunisia? Finally, are the answers to these questions relevant to other developing countries as they attempt to

formulate their own economic policies? In other words, under similar conditions could the same policy choices, pressures, and outcomes be predicted in another developing country, and under what circumstances is a Socialist-style development policy of this nature likely to succeed or to fail?¹

These questions are examined in three "theoretical" chapters, each looking at one of three types of explanations. These explanations are grouped as follows:

- * domestic politics;
- * international politics;
- * dependencia and world systems theories.

The theory chapters are structured around the following questions:²

1. What is this theory?
2. Would this theory explain the emergence of a socialist development strategy or movement?
3. Would this theory explain why a socialist program would fail and be abandoned?
4. What are some examples of such cases which have been explained by this theory?
5. How well does this theory fit the Tunisian case?

The final chapter compares the explanatory and predictive powers of the three theoretical perspectives. This research is undertaken with the expectation that the world systems/dependencia perspective has the greatest potential for explaining the two policy shifts in Tunisia in terms which are relevant to other developing countries. That is, it provides a general framework

within which individual nations formulate and execute economic policies. However, it is also expected that political variables, domestic and international, will intervene to modify individual responses to the system. The world systems/dependencia argument, when drawn too tightly, becomes overly mechanistic and unable to explain variations of policy among developing countries. The domestic political and international political perspectives offer insights into, for example, why one country adopts "socialism" as its state ideology, while its neighbor does not; why one particular country will become relatively prosperous yet others beginning the development process with similar endowments do not; and why one regime will stick with a certain policy course in the face of opposition and even failure to achieve its goals.

A case might also be made for a market explanation of Tunisia's key policy changes. The market analysis is not explored in this study, but it is an important perspective which cannot be ignored. Such an explanation would be based on traditional economic theory, and would ignore the political aspects of the shifts. In contrast to the world systems/dependencia perspective, it would not assume that these policies were directly determined by the exigencies of the rich countries in the international capitalist system, but rather were rational

responses to objective market criteria. Rather than assuming that participation in the international economy will leave an underdeveloped country worse off than before, the market perspective predicts that greater participation will lead to more development.

However, certain "market imperfections" are acknowledged which face the developing countries in particular. The "entry costs" are higher for countries attempting to industrialize in the modern era; and, for most underdeveloped countries, the requisite savings ratios cannot be obtained without government intervention. Furthermore, developing countries must compete with the advanced industrialized countries which are increasingly protectionist. The lack of information and presence of uncertainty in the domestic economies of poor countries (for both producers and consumers) leads to inefficiencies. Because the market operates and allocates resources at the margin, it may not be able to produce large, discontinuous changes in the economic structure which are necessary for long-range development. Developing countries have attempted to compensate for such factors. Beginning in the 1950s and throughout the 1960s, many developing countries turned to economic planning based on the policy of import substitution.³ However, the results of development planning have been

disappointing. Import substitution also proved to be a limited solution which brought with it unexpected costs in terms of imports of intermediate goods. In addition, a few countries (e.g., Korea, Singapore, Brazil) have had impressive success with aggressive export promotion strategies. Thus some developing countries have begun to liberalize their domestic markets and become more outward-looking in their trade policies.

BACKGROUND: TUNISIA'S ECONOMIC SITUATION UPON INDEPENDENCE

Tunisia is a small developing country in North Africa, with a population of seven million in 1984, a gross domestic product of almost \$7.2 billion (see Table 1), and a total area of approximately 63,380 square miles. It received formal independence from France on March 20, 1956, after 75 years of European domination and 13 years before the Algerian war for independence had been won. The French Protectorate was established in 1881, by the Treaty of Kassar Said (Treaty of Bardo) which, although it preserved the authority of the Bey, the traditional Tunisian head of state in a symbolic sense, in actuality made the French resident-minister the real ruler of the country. The Treaty of La Marsa, signed in 1883, confirmed French control over Tunisia by extending French sovereignty over domestic as well as external affairs.

TABLE 1

BASIC ECONOMIC DATA FOR TUNISIA: 1952-1984

YEAR	G D P	G D P PER CAPITA IN CURRENT U.S. \$	IMPORT (1)	EXPORT (1)
1952	369,000	103.4	185,000	115,000
1953	449,000	123.7	172,000	112,000
1954	471,000	127.9	169,000	127,000
1955	555,000	148.2	181,000	107,000
1956	592,000	156.0	194,000	112,000
1957	566,000	148.4	176,000	149,000
1958	625,000	162.3	154,000	153,000
1959	616,000	156.5	153,000	142,000
1960	676,000	170.3	191,000	120,000
1961	703,000	172.8	211,000	110,000
1962	719,000	172.3	216,000	116,000
1963	761,000	177.9	223,000	126,000
1964	822,000	187.4	244,000	127,000
1965	930,000	207.9	245,000	121,000
1966	939,000	207.1	250,000	141,000
1967	970,000	209.3	261,000	150,000
1968	965,000	203.8	218,000	159,000
1969	1,025,000	203.8	265,000	167,000
1970	1,275,000	248.0	366,000	180,000
1971	1,856,200	356.9	331,500	236,000
1972	2,227,300	421.8	406,600	310,500
1973	2,637,600	494.9	571,800	410,700
1974	3,755,500	687.8	1,060,700	978,100
1975	4,100,600	731.0	1,203,600	812,600
1976	4,459,400	772.9	1,372,600	784,900
1977	5,336,100	899.8	1,710,500	966,500
1978	6,165,100	1014.0	2,014,100	1,161,100
1979	7,426,200	1193.9	2,661,000	1,835,600

TABLE 1 (CONTINUED)

YEAR	G D P	G D P PER CAPITA IN CURRENT U.S. \$	IMPORT (1)	EXPORT (1)
1980	8,383,100	1311.9	3,099,100	2,161,000
1981	8,070,600	1228.4	3,289,300	2,391,000
1982	7,820,700	1162.1	2,965,100	1,891,400
1983	7,591,800	1101.9	2,637,900	1,738,300
1984	7,194,800	N/A	2,593,700	1,611,800

(1) of merchandise, f.o.b., excludes services.

Source:

Knapp, Wilfrid (1977) for 1969-1970 figures. (Differs from IMF statistics.) International Monetary Fund. International Financial Statistics, 1985.

"Although the traditional hierarchy of the beylical government was preserved, a separate parallel French administration was established which quickly acquired all effective control in the state. The Bey was reduced to a figurehead, and all real power passed to a French resident general."⁴

The establishment of the Protectorate "opened Tunisia for French colonization by creating a suitable political and legal framework for the acquisition of lands by the settlers,"⁵ which they were required to purchase. By avoiding the free distribution of land to French settlers, it assured that those acquiring the land had access to a certain level of capital. These lands came primarily from the public domain, or were "habous" (religiously held). The latter represented approximately a third of all cultivable land. In Tunisia, as in many colonized territories, the land ownership patterns established during the colonial era and the advantages the colons enjoyed in terms of access to capital and to modern farming techniques gave rise to a dualistic economy. Dualism was not confined solely to the agricultural sector, as the small industrial sector was almost entirely controlled by the French. (Italians provided much of the skilled labor.)

However, unlike many of the other colonized areas of Africa and the Middle East, Tunisia had the advantage of a long history as an integrated polity⁶ to assist it in the task of nation-building after independence was finally achieved. Furthermore, unlike Algeria, Tunisia's struggle for independence was primarily political rather than military, and so Tunisia's relations with France after independence were relatively friendly. At the forefront of the Tunisian struggle for independence was Habib Bourguiba, who undertook to convince France that an independent Tunisia would be in the best interests of both countries. In fact, Tunisia was promised full autonomy as early as 1954. It has been suggested that Bourguiba was able to achieve this victory with relatively little bloodshed because of the meager natural resources of the country as compared to Algeria, or even Morocco. In any event, Bourguiba's role in obtaining independence of Tunisia made the "supreme combatant" strongly popular. Bourguiba became Tunisia's first and, to date, only president.

Bourguiba felt, as did most of his contemporaries, that Tunisia should remain closely allied with France as a bi-cultural state. The "Mediterranean heritage" of the nation was emphasized, thus de-emphasizing, at least at the time, the "pan-Arab" ideology that was of increasing importance in the Arab world. It is important to remember

Tunisia's unique geographical position, which causes it to be identified with several different international "systems." For example, it is true that Tunisia has ancient links with Mediterranean Europe. It is also tied by language and religion to the Arab/Islamic world. Different but related is the Maghrebian international "sub-system" with its own historical ties and dynamics. Finally, Tunisia must also be identified as an African states, thus necessarily being touched by some of the "pan-African" influences.

Despite sometimes conflicting Tunisian identities, evidence suggests that Bourguiba never actually abandoned his identification with France. For example, in a major speech on June 29, 1972, he stated:

If I am the pride of Tunisia, I like to hope that I am not a disappointment for France. In any case, as I am, it is in part the product of your culture who now addresses you. . . . With what joy, with what pride, with what emotion I rediscover, the evening of my life, France, and her friendship as I dreamed of it in my youth. If I was the determined and loyal adversary of a certain France, it was in order to cooperate better with another, eternal France, la patrie of the Declaration of the Rights of Man.⁷

Given this strong identification with France, it is not surprising that the newly independent state would continue to follow basically the same economic policies which had been promoted during the Protectorate. Nor was it the only former colony to do so, usually for similar

reasons. Morocco is an obvious example. However, more important reasons existed for continuing to follow neo-colonial economic policies. Primary among these was that the Tunisian economy was heavily dependent upon and tied to the French economy. Thus Tunisia's heavy reliance upon French markets for her exports and import needs (see Table 2). In 1957, the year after independence, France accounted for 71% of Tunisia's imports, and 62% of her exports. According to Duwaji, this heavy reliance upon the French economy was "no longer due to a deliberate policy on the part of the government, as it used to be during the days of the Protectorate, but, on the contrary. . . . A structural weakness of the Tunisian economy. . . ." ⁸ From 1957 until the reforms began in 1961, trade with France accounted for an average of 55.6% of total exports, and 60.1% of total imports. (As compared with an average of 52.2% and 48.5%, respectively, for the years 1962-1964.) ⁹

After independence, it was not an easy task to emancipate the Tunisian economy from its dependence on France for at least two reasons. First, it was not possible to find, in a short period of time, new markets for Tunisian exports, which are mainly raw materials, since these markets are usually very competitive. Secondly. . . . A good portion of Tunisia's foreign trade (had) been in the hands of the French still in Tunisia, who favor(ed) trade with their mother country. ¹⁰

Also critical was the dualistic nature of agriculture, the most important sector of the economy,

TABLE 2

GEOGRAPHIC STRUCTURE OF TUNISIAN FOREIGN TRADE AS PERCENT OF TOTAL

PARTNER	ARAB		OF WHICH		ARAB		REST OF		E E C		OF WHICH		EUR. FREE	
	MAGHREB		ALGERIA		EAST		AFRICA				FRANCE		EXCHANGE	ZONE
Imp.	5.5				1.0				76				3.4	
1956	-				-				-				-	
Exp.	6.3				0.8				69				12.6	
	3.7				0.4				78		69.4		3.2	
1957	-				-				-		-		-	
	4.9				0.6				73		58.5		9.9	
	2.9				0.4				79		71.5		4.8	
1958	-				-				-		-		-	
	5.1				0.9				72		61.9		7.9	
	2.2				0.2				75		65.6		7.0	
1959	-				-				-		-		-	
	4.1				0.8				73		50.7		7.6	

TABLE 2 (CONTINUED)

PARTNER	ARAB	OF WHICH		ARAB	REST OF	E E C	OF WHICH	EUR. FREE
	MAGHREB	ALGERIA	EAST	AFRICA	FRANCE	EXCHANGE ZONE		
1960	Imp.	1.5	1.0	0.1	72	59.5	6.2	
		-	-	-	-	-	-	
Exp.	7.8	6.0	4.6	67	52.2	9.2		
1961	Imp.	1.5	1.0	0.3	65	53.7	5.5	
		-	-	-	-	-	-	
Exp.	4.4	3.0	0.05	68	54.9	7.6		
1962	Imp.	0.8	0.5	0.3	66	52.4	5.7	
		-	-	-	-	-	-	
Exp.	3.5	2.4	0.05	73	52.8	5.9		
1963	Imp.	1.0	0.6	0.99	65.2	47.9	6.0	
		-	-	-	-	-	-	
Exp.	5.3	4.0	0.7	70	49.8	5.7		
1964	Imp.	2.1	1.6	3.13	58.2	44.1	8.0	
		-	-	-	-	-	-	
Exp.	7.9	3.7	0.92	65.3	51.3	5.0		

TABLE 2 (CONTINUED)

PARTNER	ARAB		OF WHICH		ARAB		REST OF		E E C		OF WHICH		EUR. FREE	
	MAGHREB		ALGERIA		EAST		AFRICA				FRANCE		EXCHANGE	ZONE
1965	Imp.	3.0	2.1		1.1				54.9		39.2		7.9	
		-	-		-				-		-		-	
1966	Exp.	6.2	0.5		1.0				49.0		31.2		8.1	
1967	Imp.	1.3			1.2				52.2				6.1	
		-			-				-				-	
1968	Exp.	7.2			0.3				56.3				7.7	
1969	Imp.	0.7			0.2				48.8				4.8	
		-			-				-				-	
1970	Exp.	6.9			0.3				52.2				8.2	
1971	Imp.	0.6			0.9				53.9				6.5	
		-			-				-				-	
1972	Exp.	10.0			0.2				46.1				8.2	
1973	Imp.	1.9			2.5				52.6				7.0	
		-			-				-				-	
1974	Exp.	10.2			0.1				54.9				10.9	

TABLE 2 (CONTINUED)

PARTNER	ARAB	OF WHICH	ARAB	REST OF	E E C	OF WHICH	EUR. FREE
	MAGHREB	ALGERIA	EAST	AFRICA		FRANCE	EXCHANGE ZONE
Imp.	0.9		1.9		54.4		8.3
1970	-		-		-		-
Exp.	14.2		0.3		57.2		6.7
1971	0.4		2.3		55.6	36.0	8.8
	-		-		-	-	-
	12.0	1.5	0.6		53.6	19.3	5.5
1972	0.7		2.9		62.8	35.6	3.9
	-		-		-	-	-
	6.7	1.1	0.5		62.3	21.1	2.3
1973	0.6		4.1		62.6	36.6	3.4
	-		-		-	-	
	7.3	1.5	0.7		55.4	27.7	1.7
1974	1.8		7.2		59.3	30.9	3.8
	-		-		-	-	-
	6.0	1.9	0.8		56.0	21.7	2.2

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TABLE 2 (CONTINUED)

PARTNER	ARAB		OF WHICH		ARAB		REST OF		E E C		OF WHICH		EUR. FREE	
	MAGHREB		ALGERIA		EAST		AFRICA				FRANCE		EXCHANGE	ZONE
1975	Imp.	0.8			6.4				63.5				3.6	
		-			-				-				-	
	Exp.	9.7			0.3				47.8				0.7	
1976		0.7			7.5				61.1				4.5	
		-			-				-				-	
		4.4			0.2				51.8				0.7	
1977		0.5			6.0				58.3				3.4	
		-			-				-				-	
		5.0			0.4				57.2				1.0	
1978		2.0			3.9				63.5				3.0	
		-			-				-				-	
		7.5			0.5				57.4				1.2	
1979		0.7			7.5				56.4				4.0	
		-			-				-				-	
		4.7			0.9				58.5				1.3	

TABLE 2 (CONTINUED)

PARTNER	ARAB	OF WHICH	ARAB	REST OF	E E C	OF WHICH	EUR. FREE
	MAGHREB	ALGERIA	EAST	AFRICA		FRANCE	EXCHANGE ZONE
1980	0.9		9.6		58.1		3.7
	-		-		-		-
	2.7		1.1		53.5		0.4
1981	0.9		11.4		54.3		3.4
	-		-		-		-
	6.6		1.5		51.8		2.8

TABLE 2 (CONTINUED)

PARTNER	SOCIAL- IST BLOC	OF WHICH U.S.S.R.	ASIA	U.S.A.	TOTAL IN TO. MILL.	% IMPORTS COVERED BY EXPORTS
1956	Imp. 0.6 - Exp. 1.7		3.6 - 1.13	4.6 - 0.7	68.0 - 39.3	57.8
1957	1.9 - 1.1		3.9 - 2.32	5.7 - 2.9	63.4 - 54.2	85.5
1958	1.4 - 2.0		3.0 - 1.44	3.4 - 2.2	64.9 - 64.4	99.3
1959	2.8 - 3.3		2.87 - 1.63	4.3 - 1.9	64.2 - 59.6	92.8
1960	3.5 - 3.3	1 - 1	2.88 - 1.70	7.9 - 0.2	80.1 - 50.3	62.8

TABLE 2 (CONTINUED)

PARTNER	SOCIAL- IST BLOC	OF WHICH U.S.S.R.	ASIA	U.S.A.	TOTAL IN TO. MILL.	% IMPORTS COVERED BY EXPORTS
1961	4.8	1	2.65	15	88.4	
	-	-	-	-	-	52.4
Exp.	7.0	2	4.25	0.6	46.3	
1962	3.1	1	2.66	16	90.0	
	-	-	-	-	-	53.6
	5.4	2	1.85	1.4	48.7	
1963	5.96	2.0	2.94	11	93.7	
	-	-	-	-	-	56.8
	6.0	2.1	3.6	0.7	52.9	
1964	5.91	1.6	2.67	10.3	110.8	
	-	-	-	-	-	51.9
	7.14	0.9	2.5	0.7	57.3	
1965	6.7	2.3		5.4	129.1	
	-	-		-	-	
	7.1	0.9		3.3	62.9	

TABLE 2. (CONTINUED)

PARTNER	SOCIAL- IST BLOC	OF WHICH U.S.S.R.	ASIA	U.S.A.	TOTAL IN TO. MILL.	% IMPORTS COVERED BY EXPORTS
Imp. 1966	10.2				131.2	
Exp. 1966	10.8				73.7	
1967	9.4				137.1	
	12.8				78.4	
1968	8.2				114.8	
	18.9				62.8	
1969	6.7				139.7	
	11.8				86.9	
1970	7.5				160.4	
	11.4				95.8	

TABLE 2 (CONTINUED)

PARTNER	SOCIAL- IST BLOC	OF WHICH U.S.S.R.	ASIA	U.S.A.	TOTAL IN TO. MILL.	% IMPORTS COVERED BY EXPORTS
1971	7.9	1.2		14.6	179.9	
	-	-		-	-	
Exp.	12.6	3.3		4.5	113.3	
1972	5.2	1.2		12.0	222.2	
	-	-		-	-	
	8.5	2.9		3.7	150.3	
1973	5.6	1.3		9.2	265.9	
	-	-		-	-	
	7.7	2.1		14.0	168.6	
1974	6.1			8.2		
	-			-		
	6.0			5.2		
1975	5.1		-	-	-	
	-					
	8.4					

TABLE 2 (CONTINUED)

PARTNER	SOCIALIST BLOC	OF WHICH U.S.S.R.	ASIA	U.S.A.	TOTAL IN TO. MILL.	% IMPORTS COVERED BY EXPORTS
Imp. 1976	4.7 -		-	-	-	
Exp. 1976	4.5					
1977	4.6 - 4.1	-	-	-	-	
1978	4.1 - 3.8	-	-	-	-	
1979	4.4 - 2.2	-	-	-	-	
1980	4.7 - 2.6	-	-	-	-	

TABLE 2 (CONTINUED)

PARTNER	SOCIALIST BLOC	OF WHICH U.S.S.R.	ASIA	U.S.A.	TOTAL IN TO. MILL.	% IMPORTS COVERED BY EXPORTS
1981	4.6	-	-	-	-	
	-					
	2.6					

Arab Maghreb = Algeria, Morocco, Libya.

Socialist Bloc = The USSR, Poland, and Czechoslovakia account for 80% of Tunisian commerce with this group.

In 1964 1 Tunisian dinar = U.S. \$1.90.

Sources:

Annuaire Statistique de la Tunisie, various issues.

The Economic Yearbook of Tunisia, 1964, 1966-67.

International Monetary Fund. Surveys of African Economics, Volume 7, 1977, p. 343.

occupying 70% of the population. The much more productive "modern" sector, geared to production for the export market (mostly cereals, grapes, and olives, was almost entirely French owned. Tunisia has a total of 16.4 million hectares, of which approximately 9 million are potentially suitable for agriculture. At independence, the state owned approximately 200,000 hectares of this land. The social structure of the rural population consisted of:

- * A small social stratum, 4,000 foreign families ("colons") held 20% to 50% (according to administrative definitions) of the country's best rain-fed lands. (The average farm size being 200 hectares.)
- * Another 5,000 elite families of local origin controlled an area equal to half that held by the colons. (The average farm size was 80 hectares.)
- * The rest of the rural population (450,000 families) farmed an average of 7 hectares per family.¹¹

The large colon farms, as well as many of those of the wealthy Tunisians, were concentrated in the richer lands of the north. The vast majority of Tunisian farmers earned their livelihood on parcels of land too small to farm efficiently with modern methods, even if they were to have had access to such technology, on the poorer land of the center and south.

The Tunisian bureaucracy was dominated by French nationals, including the office responsible for the formulation of economic development policies.¹² The educational system was dependent upon French teachers, as all but the Zitouna (religious university) teachers, from primary to university level, were French. Frenchmen also dominated the small, modern commercial sector of the economy which "originally was developed by Europeans (and) . . . (was) concentrated almost completely in the northern part of the country. Its center (was) Tunis, which with Bizerte and Sousse, represent(ed) the greater part of the 'modern' economic activities."¹³ There was very little industrial development, and virtually no tourist industry.

Entelis identifies three distinct phases in Tunisia's political economy of development. These phases are demarcated by the two policy shifts discussed here. The phases are:

- * 1956-1961: "A liberal economy, laissez-faire policy.
- * 1961-1969: "A planned economy with strict economy with strict economic control."
- * 1979-present: "The reestablishment of a liberal economic policy."¹⁴

TUNISIAN SOCIALISM

Some scholars have questioned the "socialist" nature of the first shift. For example, Zamiti argues that the policy was actually a form of state capitalism.¹⁵ Others have pointed to the seemingly enthusiastic support of western financial and development organizations, and of some capitalist states' governments. For example, during the years 1964-1966, Tunisia received the equivalent of almost \$18 per capita in bilateral and multilateral aid, compared to a world average of \$6 for Africa as a whole and \$4 for the developing world in general.¹⁶

"Socialism" has become an amorphous term, often carelessly applied in the literature of international political economy. Countries with widely diverse system of government and economies have called themselves "socialist" or have been labeled as such by scholars. The two major "models" of socialism in the world today, the Soviet Union and China, differ significantly in their ideology and economic policies. Even orthodox Marxist theory leaves the door open for differing interpretations as to what constitutes a socialist society, because according to this school of thought socialism is a transitory phase through which a society must pass, succeeding capitalism, before communism is attained. Presumably, socialism will look different in different societies as

some will be just entering the phase and others will be moving closer to communism. There are, however, some fundamental concepts upon which orthodox Marxists agree.

First, they believe in historical determinism, i.e., that capitalism must precede socialism, as feudalism preceded capitalism, and as communism will prepare a society for the emergence of socialism by creating a proletariat. This is tied to the second fundamental concept of classical Marxism, that socialism will be achieved through violent class conflict, as the proletariat revolts against their exploiters, the bourgeoisie, and wrests the means of production away from them. Under socialism the bourgeoisie will cease to exist as a class, and the state, embodying the will of the people, will administer the means of production for the common benefit. A third fundamental concept is that the need for the state will disappear as socialist values become fixed in the society and the workers (everyone in the now classless society) take over the administration of the economy. Obviously, this has not yet occurred in any of the socialist societies.

The Tunisian ideology of the 1960s did not embrace any of these concepts. Instead, Tunisian rhetoric and policies identify "Tunisian (or Destourian) socialism as an example of "developmental socialism" which was

adopted by many newly independent underdeveloped countries. As an economic policy, it tried to compensate for and combat their vulnerability in the international economy and the structural obstacles to development in their domestic economies. As an ideology, it sought to harness the energy of nationalism to the task of development. Thus non-orthodox socialism has been the rule rather than the exception among Third-World countries attempting non-capitalist development strategies. In fact, Entelis speaks of a "uniquely Third-World socialist framework."¹⁷ He describes Tunisian Destourian socialism as:

ä form of "developmental socialism" characteristic of Third-World mobilization systems . . . falling somewhere between "communitarian socialism" wherein socialism is defined with the vision of harmonious social order, of development without the dehumanizing consequences of radical individualism, and "moderate reformist socialism," which uses governmental institutions to direct an essentially private and pluralistic economy toward development goals.¹⁸

Inevitably, "socialism" has taken different forms in each of the developing countries which have adopted it. Because of this, and because it does reject many fundamental socialism" is not socialism at all. Gottheil¹⁹ for example, implies that a country is not socialist, despite the formal institutions of its economy, if socialist objectives are not met. But the point of this

research is not to determine the purity of Tunisian socialism; the fundamental question is why the policy change and reversal occurred. Therefore, it will be assumed that Tunisia did switch to an economic policy of "socialism," as qualified above. This period is readily identifiable as such, as is the period of economic liberalism which preceded it and the period of the reversal "socialism" which followed it. The decision to make these assumptions is not arbitrary, but based upon the declarations of the Tunisian government itself and upon the nature of the economic measures which were initiated.

In order to address the fundamental research question, the policies must, of course, be adequately defined. Furthermore, to be of relevance to the study of international relations, it is helpful to compare Tunisia's "socialism" to other cases of developmental socialism. Several examples may be found among the countries of Africa, including Mali, Tanzania, Ghana, and Algeria. In fact, developmental socialism swept the continent in the early 1960s as a broad movement which its adherents called "African socialism." This is not to be confused with the more radical "scientific socialism" (Kofi) or "Afro-Marxism" (Young) which emerged, in general, a decade later in Africa.

This "first wave of African socialist thought" was an "amalgam of utopian, populist, and Marxist-Leninist ideas articulated by African political leaders"²⁰ such as Senghor (Senegal), Nyerere (Tanzania), Nkrumah (Ghana), and Touré (Guinea). Although different leaders emphasized some aspects of socialism in Africa over others, and circumstances led to certain differences of policies in the African socialist states, several common and overlapping themes can be identified.

First, developmental socialism in Africa was generally adopted in countries which had obtained their independence largely through constitutional means rather than revolutionary wars of liberation. Tunisia, of course, fits this description. Algeria is an important exception.

Secondly, all the proponents of "socialism" in Africa echoed the theme that its roots were to be found in traditional African society. For example, Malagassy leader Jacques Rabemanjara asserted that: "community life, this form of socialism, we knew well it before Karl Marx was born."²¹ In particular, the communal ownership of land in traditional African society was emphasized. Land as marketable commodity was seen as a foreign concept. Instead, the African concept of land was that it belonged to the community, not individuals,

but that all individuals had a right to use it. Thus Nyerere insisted that "the TANU Government must go back to the traditional African custom of landholding . . . a member of society will be entitled to a piece of land on the condition that he uses it."²² This served as the ideological justification for the cooperative and state farm policies which were common in the African socialist countries.

Also, the "extensive network of reciprocal social obligations"²³ was seen as a key facet of traditional "socialism" in Africa. This was based on kinship networks which actually extended far beyond the immediate blood ties. Because of these reciprocal obligations, there was no accumulation of personal wealth among members of the community, since individuals could always depend upon the community to take care of their needs.

Finally, the egalitarian nature of the society was considered further proof of its socialistic nature.

(Although it was recognized that the egalitarian nature of the society did not generally apply to females.)

Nyerere has asserted that the concept of employer and employee was imported by colonialism; that in traditional African society, everyone was expected to work. Thus the social obligation to work became an important feature of "socialism" in Africa.

Although the traditional societies of sub-Saharan Africa are not entirely analogous to that of Arab-Mediterranean Tunisia, neo-Destourian socialism also claims to find its antecedents in traditional values. Furthermore, like other Islamic-African states which adopted developmental socialist policies, (e.g., Nasser's Egypt, Libya, and Algeria) socialistic Tunisia found support for its ideology in the teachings of Islam.

A third important aspect of developmental socialism wherever it appeared in Africa was the total repudiation of the Marxian idea of class conflict, and also of the concept that a society must first pass through capitalism before socialism may be achieved. These states sought above all to maintain unity in their struggle for economic development. According to Nyerere:

European socialism was born of the Agricultural Revolution and the Industrial Revolution which followed it. The former created the "landed" and the "Landless" classes in society; the latter produced the modern capitalist and the modern proletariat. These two revolutions planted the seeds of conflict within society, and not only was European socialism born out of that conflict, but its apostles sanctified the conflict itself into a philosophy. . . . African socialism . . . did not have the "benefit" of the Agricultural Revolution or the Industrial Revolution. It did not start from the existence of "conflicting" classes in society. The foundation, and the objective, of African socialism is the extended family. The true African socialist does not look on one class of men as his bretheren and another as his natural enemies. . . . "Ujamaa," then or "familyhood," describes our socialism.

It is opposed to capitalism, which seeks to build a happy society on the exploitation of man by man; and it is equally opposed to doctrinaire socialism which seeks to build its happy society on a philosophy of inevitable conflict between men and man.²⁴

Thus most of the socialist leaders of Africa maintained that doctrine of class conflict was irrelevant to Africa because African society was seen as classless, or at least as "minimally stratified."²⁵ Obviously, this idea did not correspond to the present reality in many of these countries where, for example, organized urban workers often represented a privileged class. Most especially, the notion of a classless society did not apply to Tunisia. Nonetheless, Tunisian socialism, like the state ideology of all the African socialist states, specifically rejected the idea of class conflict as it was considered destructive to the integrity of the newly independent state and counter-productive in the struggle for economic development. Anti-colonialism is a fourth predominant feature of socialism in these countries. "Socialism" was a reaction to colonialism and a rejection of the capitalistic pathway to development. The perception of the former colonies was that the private sector of their economies were controlled by foreigners. Capitalism was closely associated with colonialism in the minds of most Africans, so that "post-colonial economic

policies must not be the same as those enslaved their people."²⁶ As a reaction against Europe, African socialism contained strong elements of nationalism and supernationalism (e.g., pan-Africanism). The latter, which emphasizes the common heritage of Africa and African unity is less relevant to Tunisia, whose identity is linked to other international subsystems as well (i.e., Arab, Islamic, Maghrebian). Anti-colonialism, nationalism (in the traditional sense or as pan-Africanism, pan-Maghrebism, etc.), and socialism were all elements of an ideology which, it has been suggested, was needed to reproduce the mobilization effect of the struggle against colonialism once independence had been obtained. Leaders sought to mobilize their populations for the task of economic development.

Thus the developing countries which adopted "socialism" as their official ideology shared some basic assumptions and values. They perceived the international economy, under existing conditions, to be threatening to their own economic welfare. They therefore attempted to control the terms under which they participated in it. To varying degrees this implied closing the domestic economy. The priority given to rapid industrialization furthered this tendency because of the protectionism

inherent in the import substitution strategy adopted by almost all of them. Industrialization also required a substantial investment effort which necessitated state intervention. "Developmental socialism" assumes that the state must intervene in the economy to fulfill social objectives that would not be addressed in a free market situation. Foremost among these social objectives is the redistribution of wealth in favor of the poorest members of the society. Measures which the state can adopt include food and housing subsidies, job creation and minimum wage laws, land reform, etc. Developmental socialism seeks to overcome structural problems to which the industrialized market economies presumably never had to face.

Similar economic policies may therefore be expected among developing countries which have declared "socialism" to be their official ideology. Morse has compared the policies of four countries in Africa (Ghana, Guinea, Senegal, and Tanganyika), and has identified six basic policy trends, although he stresses that "variations, which reflect differences in the personal experiences and temperaments of the leaders, and in the historically determined conditions to which they must adapt . . . indicate different views concerning the nature of socialism and how to achieve it . . ." (and

so) ". . . suggest that there will be differences in policies; or even when policies seem to be similar, they will be pursued with different intensity and effect."²⁷

His first observation is that none of the "socialist" states of Africa have adopted the Soviet Union as a model, and that "none is following, or currently planning to follow, a well-defined "totalistic" path to socialism."²⁸ To some extent this explains the variations in policies among these countries.

Second, "all of the countries anticipate some role for private enterprise, both indigenous and foreign, at least for so long as it behaves in a manner consistent with their aims."²⁸ These countries encourage foreign investment and aid, but place restrictions upon it. There are no general nationalizations, but the government usually reserves this right in the nationalizations, but the government usually reserves this right in the case of "vital interests," usually with provisions for reimbursement.

A third line of policy is that "the spheres within which private enterprise is to be permitted to operate have been (or will be) defined, although the definitions may vary in scope and precision, and sometimes change."³⁰ All of these countries actually have "mixed" economies, in which the sectors or "spheres" have

been (at least nominally) defined by the government. In Ghana, for example, "socialism" was to be achieved by the gradual expansion of the public and cooperative sectors, rather than by a general takeover of the economy by the state. Its "three-sector" economy ("public," "government with private," and "private") follows a pattern which is reflected in Senegal ("socialized," "mixed," and "free") and Tunisia ("state," "cooperative," and "private").

Fourth, while allowing private enterprises to operate within their economies, the government imposes upon them certain standards of behavior with which they must comply to retain that privilege. Their freedom to operate will presumably be less than it would in developing capitalist economies, although Morse argues that often these restrictions are not so much "socialist" per se as they are "warnings to business to accept principles of behavior similar to those that have developed in the West." However, he continues, "they could also be interpreted as tactical steps which, although not socialistic in themselves, are regarded as essential to the conduct of an undeviating socialist strategy under limiting conditions."³¹

A fifth policy common to most of the "socialist" countries of Africa is to leave intact the communal

pattern of land tenure, where it still exists, and to use this as the basis for modernization of agriculture. This meant that private ownership was not encouraged. Where communal patterns of land tenure no longer existed, agricultural cooperatives became an important policy tool, as in Tanganyika, Ghana, Guinea, and Senegal.

Finally, a sixth theme of policy identified by Morse relates to developmental socialism's ambivalence towards organized labor. "On the one hand, labor unions are regarded as the vanguards of socialism. On the other, the tendency of workers to stress their own narrow economic interest is recognized as a problem."³² Friedland has touched upon this issue by noting a tendency in these African countries to convert the labor unions from "consumptionist" to "productionist" organizations.³³ During the era of the independence struggle, he argues, most of the unions were "consumptionist." That is, they were concerned with raising the standard of living (i.e., the ability to consume) of their member. This orientation was compatible with the anti-colonialism of the liberation movement, as "most employers were considered to be foreign exploiters tied to the colonial power."³⁴ After independence, the "consumptionist" orientation of the unions of "socialist" Africa were converted to a "productionist" role, as "instruments for increasing the

productivity and procurement of workers."³⁵ This implies that the trade unions tended to lose political power vis-a-vis the governments.

Tanzania provides an example of developmental socialism in a formerly colonized state. Tanzanian leader Julius Nyerere was an important force in defining the doctrine of "African socialism," and the Tanzanian experience has served as a test case for many researchers of diverse ideological backgrounds.

As in Tunisia, early post-independence economic policy in Tanzania was virtually a continuation of the old colonial policies. Following a 1960 World Bank study, however, a "Transformation Scheme" was instituted based on the Bank's recommendations for "the creation of capital-intensive, government-controlled settlements which would concentrate on producing an exportable crop."³⁶ The results of the program were largely disappointing. In 1967 the Arusha Declaration first set forth a specific program of socialist policy (although "socialism" had been proclaimed since 1962). First, "the public sector was to be speedily enlarged."³⁷ The government took at least formal control of the banks, insurance companies, import-export, mining, and most manufacturing. Also, new enterprises were to be created through state investment.

The parastatal sector was also enlarged, although a number of "parastatals" were actually joint ventures with private partners.

The main emphasis of economic policy in Tanzania was on agricultural production, for two reasons: because it was recognized that "tanzania lacked both the time and money to develop internationally competitive manufacturing industries";³⁸ and because it was felt that since approximately 90% of the people were involved in agriculture, that this was the best way to benefit the greatest number of people. Agricultural development was to be based on "Ujamaa Vijini" ("socialism in the villages"), a system of cooperative communities. For the first five years of the program, participation was mostly voluntary. There were three levels of cooperativization, the highest level being the full producer cooperatives. Then, in 1974, a "mass villagization" effort took place to incorporate most of the farmers into the Ujamaa framework. Despite these efforts, cooperative production met with strong peasant resistance. Explanations for this parallel some of those offered for the "failure" of the Tunisian cooperatives; for example, that decision making was too centralized, without sufficient feedback from the participants; that the peasants were not sufficiently mobilized; that the "socialism" was not rigorous enough

and that capitalist interests prevailed, etc. Unlike Tunisia, however, the "major restructuring of the rural sector"³⁹ remains substantially in place.

This discussion makes clear that Tunisian "socialism" was a form of developmental socialism. As in most developing countries which have adopted socialist-style economic policies, the ideology was formulated to take into consideration the unique aspects of the country's own particular situation and the rhetoric was phrased in such a way as to emphasize this uniqueness.

The introduction to the Four-Year Plan stated that Tunisia had opted for its own brand of socialism.

Destourian socialism was characterized as follows:

1. It is not imported ideology, but rather has its origins in the deeply held aspirations and the historical and sociological conditions of the Tunisian people. In particular, it does not embrace such concepts as violent class struggle nor nationalization ("etatism") of the economy, which are part of foreign ideologies.

- A. Violent class struggle is pernicious and useless. Pernicious because nothing of value can be constructed upon hate and divisiveness, and the evolution of the Tunisian economy does not engender ineluctable social antagonisms, and that the nation, only recently formed, cannot see its elite and masses confront and destroy each other without being destroyed itself. It is useless because better results are obtained by the organized cooperation of the classes and by reinforcing national solidarity.

- B. Destourian socialism is not a synonym for state control ("etatism"). It considers the essential role of the state not to control men and goods in paralyzing tutelage, but rather to encourage the advancement of man, the democratic administration of productive activities, and coordinate, harmonize, and regulate the operation of the means of production in a coherent manner towards the collective well-being.
2. It is not a rigid ideology, drawn up in an "ivory tower" nor immobilized by dogmatism, but it is in a state of continuous evolution.
 3. Its adoption is a voluntary and rational choice, not the product of historical determinism. The Party chose such a system because it represents the best approach to the problems and the shortest path for the authentic "Promotion of man" (human achievement).
 4. It is committed to the concept of Cooperation. The cooperative, insofar as it is authentic, which the Tunisian state works to make it be, is a unit of production organized according to the democratic principle and realized through the collective use of certain means of production and services and function both in their own interests as well as in the general interest.
 5. It is action-oriented, and efficiency is one of the most important criteria. An underdeveloped country cannot permit itself an ideology which does not lead to rapid development. For this reason, it pays close attention to facts, and is open to the lessons of experience.⁴⁰

When analyzing the policies of the governments of nation-states, be it foreign policy or domestic economic policy, one cannot assume that government rhetoric corresponds exactly to the measures actually put into effect. The concepts behind Tunisian socialism have been

outlined repeatedly in the literature about Tunisia and in official Tunisian publications. However, the best way to understand the meaning of Tunisian "socialism" is to study the evolution of economic policy in that country.

TUNISIAN ECONOMIC POLICY

ECONOMIC POLICY FROM INDEPENDENCE UNTIL 1961: LIBERALISM AND LAISSEZ-FAIRE

During the first five years after independence, no radical economic reforms were attempted. "Bourguiba's political objectives were to unify the party on the broadest possible base, to secure a virtual monopoly for it, and not to risk national unity or foreign investment by radical economic change."⁴¹ According to Knapp, "Bourguiba lacked training or perception in economics, and his preoccupation in achieving independence and then establishing himself and his party in power were purely political. For five years after independence his policy was, therefore, laissez-faire."⁴²

The primary focus of reform during the period from independence until the beginning of economic planning was social, rather than economic. The social reforms were considerable, especially in the context of a basically conservative Islamic society. The elimination of the habous system was a fundamental social reform, achieved despite the objections of the religious community.

(French efforts against the system had been much resented.) The Code of Personal Status, adopted in 1956, outlawed polygamy and gave equal rights to women. It was the most far-reaching legislation of its kind in the Arab world. Universal primary education, obtained by the consolidation of a unified, primarily secular system of public education in 1958, made much progress towards the elimination of illiteracy. During this period, too, the "Tunisification" of the French-dominated bureaucracy was initiated. This was linked to the educational reforms as it required the creation of cadres of trained personnel.

After the policies of economic laissez-faire were rejected in favor of socialist-style planning, Bourguiba insisted that the period of social reforms had been a necessary precondition for economic development to take place, (i.e., before the planning phase could begin). Undoubtedly there is much truth to that. However, it is doubtful that these social reforms were carried out during the era of liberal economics with the intention of switching to economic planning once they were in place, as the regime later suggested. Instead, it may be assumed that the adoption of planning was the result of a change in economic policy.

The objective of this policy, which Micaud labels as an "empirical and conservative approach to economic problems, " was to encourage private investment, both Tunisian and foreign, but with little systematic coordination of efforts.⁴³ Foreign investment was considered to be especially important to the economy because private Tunisian investment was traditionally in the form of "buying land, sheep, goats, olive plantations, or buying jewelry or gold . . ." which did not contribute to the development of the country."⁴⁴ The early economic policy in effect preserved the integration of the Tunisian economy with the French economy, and Tunisia remained linked to the franc zone.

The government expected that by maintaining the status quo potential investors would be assured that no nationalization of businesses or property, nor any steps toward socialization of the economy, would occur. "In spite of this policy, rates of public and private investment continued the steady decline which had begun several years before independence."⁴⁵ "The results of private investments and initiative . . . were disappointing since the natural movement of those years was the exodus of the resources Tunisia most needed--capital and skill--as the French left."⁴⁶ In particular, French settlers and businessmen, who under these policies were allowed to

continue their activities in the country, transferred all their profits back to France.⁴⁷

Thus the rate of investment in Tunisia dropped from a high of roughly 20% of the gross domestic product to a low of roughly 9% in 1957 (see Table 3). This occurred "despite a vigorous fiscal policy, the backing of the currency, the creation of national companies of import and export, and limited experimentation in land modernization."⁴⁸ As Heidi Nour, the Governor of the Central Bank, stated in 1960, that it "had been the express policy of the Tunisian Government to build up its foreign exchange reserves, protect the international value of the national currency, and maintain domestic price stability."⁴⁹

In particular, strict foreign exchange controls were introduced to prevent the flight of capital resulting from the sale of French-owned lands to Tunisians.⁵⁰ Furthermore, the Tunisian government began to require special government authorization for the sale of property by foreigners to Tunisians. Proceeds from these sales were "to be put in special bank accounts and spendable only in Tunisia for specific purposes."⁵¹ However, in order to facilitate the sale of foreign-owned land, which would have been inhibited by these restrictions, land sale agreements were signed with France⁵² by which French

TABLE 3

GROSS INVESTMENTS IN TUNISIA: 1950-1961 (IN MILLION DOLLARS)

YEAR	GROSS INVESTMENTS	PERCENT OF GDP
1950	90.8	20
1951	106.3	20
1952	95.8	16
1953	96.7	16
1954	86.4	14
1955	83.7	14
1956	68.4	11
1957	55.4	9
1958	66.7	10
1959	75.8	12
1960	109.7	16
1961	127.2	19

Source:

Duwaji, Ghazi. Economic Development in Tunisia: The impact and Course of Government Planning. Praeger, London, 1967, p. 29. Taken from FAO statistics for 1950-1958, and Tunisian government sources, for 1959-61.

farmers were compensated for their land and helped to resettle in France. Under the terms of agreement, the government of France was to help the government of Tunisia acquire up to 100,000 hectares of the remaining French-owned land.⁵³ Much of the land thereby purchased was then rented to private Tunisian farmers.

The second category of land which the Tunisian government acquired during the early post-independence period was that of the habous lands. "The 'habous' is essentially a system of land or real estate endowment made under Moslem law on persons and their descendants, or private institutions, such as mosques, schools, and hospitals. The person making the endowment determines the beneficiaries and the manner of benefit, but the habous itself can neither be sold nor transferred except when the named beneficiaries disappear altogether, in which case the habous reverts to the state to do with as it sees fit."⁵⁴ Under this archaic system, approximately 1,150,000 hectares of habous land was either under-utilized or completely ignored, and its elimination was a major reform. However, it must be made clear that this reform was carried out in the spirit of emphasizing private property and liberal economics. Private habous reverted to the beneficiaries. The state acquired only the public habous (approximately 150,000 hectares of the

total; the French had appropriated most of the better habous lands before the end of the Protectorate) and became part-owners in the case of Zaouia (mixed) habous.⁵⁵ "The private or of accepting another private partner to whom the government would sell its part."⁵⁶

The Tunisian government, in these early years, also undertook the liquidation of a second "archaic" system of land tenure, the "collective," or tribal lands, amounting to approximately 3,000,000 hectares. These lands, which had been recognized by the Protectorate under a "droit collect" to be inalienable for the use of the tribe had in fact "been parcelized in an archaic fashion between the members of the tribe." The end of this system resulted in "a network of small private landowners," such that, according to Debbasch and Cammu, "the uncultivable land and the areas of common interests remained within the collective framework."⁵⁷

The government then endeavored to dispose of the land which it now owned, former colonial as well as habous. In 1959 a new law outlined the conditions under which land could be bought by private citizens: that they be landless Tunisians who have knowledge of farming and who would live on the land and cultivate it directly. Under these terms, the smaller units of government land were sold before the creation of the first agricultural production

cooperatives in 1962. "However, since those who bought these units were poor and landless peasants, the sale of the land was made on installments and hence it was not definitive. The government could take the land away anytime the buyer failed to honour the terms of the contract."⁵⁸

The large units were not sold to private buyers. It was decided that to divide them among the landless peasants would adversely affect the productivity of these lands. Likewise, it was decided not to sell them intact to private landowners as this would exacerbate the unequal distribution of wealth and income which already characterized Tunisian society. Therefore, in the short term, the large land units were mostly rented to private farmers. Later, they became the nuclei of the production cooperatives.

These measures comprised the land reform which was carried out by the Tunisian government during the early post-independence period. "All these actions were conceived within an ideological perspective favorable to private capital and which excluded any radical action regarding agricultural structures and social stratification in the Tunisian countryside."⁵⁹ Modernization of agriculture was left primarily to private initiative. State intervention was "essentially limited to infrastructural work

(hydraulics, protection of the soil, reforestation) which demanded investments above the possibilities of private property."⁶⁰

During this period few steps were taken toward industrialization. This period in Tunisia's political economy was characterized by maintenance of the status quo. Those manufacturing firms which did exist in Tunisia were almost entirely foreign operated. To reiterate, as in agriculture, it was hoped that the non-threatening political and economic climate would encourage private investment and foreign aid to bring about modernization and growth. Stability, as argued by Nour, was seen as a "precondition" for development to occur. No structural reforms of the economy were attempted, and few new industries were actually developed.

Significantly, a proposal for socialist planning similar to the one later adopted was presented during this era of liberal economics. The plan⁶¹ was presented in September 1956 to the Sixth Congress of the General Union of Tunisian Workers by then-Secretary General Ahmed Ben Salah. Although this plan, which called for the nationalization of natural resources and the institution of economic planning, was adopted by the Congress, it was categorically rejected by President Bourguiba who accused Ben Salah of introducing "alien" ideas. The result of

this episode was to divide the General Union of Tunisian Workers, force Ben Salah out of the post of Secretary General, and to neutralize the once considerable power of the Union. "Exploiting existing rivalries within the General Union of Tunisian Workers, Bourguiba in December 1956 was eventually able to have Ben Salah removed as head of the Union and replaced by Ahmed Tlili who shared Bourguiba's vision of a liberal reformist system of social and economic change. . . ."62

After independence Tunisia did, however, undertake an evaluation of its economic potentials. Thus, in 1957, a Service du Plan was created which, with the assistance of United Nations technical advisors, produced a "set of national input-output tables for 1957-71, and a recommended target input-output table for 1971. As this work progressed, the Tunisian government gave permanent status, in 1959, to its Direction du Plan, with a ministerial post in the cabinet and a continuing bureaucracy."63 Although these first steps may not be construed as any coordinated planning effort, they undoubtedly laid the groundwork for the centralized planning policies

ECONOMIC POLICY FROM 1961-1969: PLANNING AND COOPERATIVIZATION

By 1962 it was clear that the economy was stagnating, and that without some recognizable economic program

making clear the government's intentions, private investors would not risk additional capital for the development of the country. The Tunisian regime concluded that more aggressive state intervention in the economy was required, and so the market-directed "laissez-faire" policies increasingly gave way to 'Tunisian socialism'. Centralized planning was emphasized, 'with strict economic control assuring a protected internal market as well as a fixed exchange rate and currency regulation.'"⁶⁴

By adopting systematic economic planning, the ruling elite intended to encourage economic growth, to break up the rigidity of social stratification, to equalize opportunities, and to increase social mobility."⁶⁵

President Bourguiba asked Ben Salah to head the planning effort, and to become the new Minister of Planning.

Ben Salah accepted on the condition that he also be given the portfolio of the Ministry of Finance, as he felt that he could not be effective in developing the country's economy without control over Finance.⁶⁶ Thus a new

"superministry" was created, and Ben Salah became Secretary of State for Planning and Finance on March 1, 1961.

On August 23, 1961, the "Perspective Décennale du Développement: 1962-1971" (Ten-Year Perspective) was presented to the President. This was not a formal plan, but a ten-year program to be implemented in three stages.

A three-year "pre-plan" (1962-1974) would become the basis of the first stage and two four-year plans (1965-1969 and 1969-1972) would later be drawn.

Their Ten-Year Perspective, which made Tunisia's commitment to centralized planning official, containing most of the same principles adopted by the General Union of Tunisian Workers Congress in 1956. It set the following objectives to be reached by 1971:

- * Increase the gross domestic product to \$1,157 million.
- * Increase domestic savings from 10% of the gross domestic product in 1961 to 26%.
- * Attain a net investment for 1962-1971 of 896 million dinars (\$2,132 million); with the investment by sector as follows:
 - * infrastructure - \$1,042 million;
 - * agriculture - \$553 million;
 - * industry - \$333 million;
 - * education and training of technicians - \$189 million;

and by 1974:

- * to attain a minimum annual per capita income of 50 dinars (\$100);
- * to limit foreign aid to 50% on new investment.

To meet these goals, a 6% annual growth rate was needed, as compared to 3% during the 1950s. The rate of growth of the agricultural sector was to rise from 2.2% to 5.5%. Although not completely unrealistic, these

objectives "required a tremendous amount of investment--an amount that was, in fact, disproportionate to the real economic capabilities of the country."⁶⁷ Given the paucity of industrial resources, the cooperative movement was to be the basis for capital accumulation.

Although the role of the co-operatives in raising the savings rate was never publicized, in actual fact it was to be one of their most important functions. This was to be achieved through direct control by government authorities over the allocation of their profits and wage payments. There have been profitable co-operatives, particularly in wholesale and retail trade, but they rarely distributed any dividends to their members. These profits were often invested in other enterprises, such as hotels, without the co-operative members even being informed."⁶⁸

Investment received such a high priority in order to create the infrastructure for later development. Therefore, "capital assets . . . (e.g., utilities, transports, schools, hospitals, etc.) . . . providing output capacity only indirectly accounted for 40% of the gross fixed capital formation of this period" (i.e., 1961-1972).⁶⁹ Industry also received a high share of the total investment, mostly in import-substituting light manufactures and relatively low-capital intensive textiles, paper products, chemical goods, etc. This strategy contributed to the reduction in the share of consumption goods in total imports from 25.3% in 1960 to 14.0% in 1971.⁷⁰

The drive to meet these investment goals inevitably gave rise to financial difficulties:

As the government attempted to implement with speed a whole range of ambitious projects, it over-taxed available resources and incurred sizeable overall treasury deficits. At the outset, these deficits were covered essentially by increased savings generated through ordinary budget surpluses, and by foreign loans and grants. However, as the flow of such financial resources fell short of the rising requirements of the budget, there was substantial recourse to borrowing from the banking system.⁷¹

Rather than scaling down their investment goals, the planners increasingly resorted to deficit financing. This, exacerbated by increased bank expansion of the economy. In an attempt to combat these inflationary pressures on the domestic economy, the existing comprehensive system of price controls was intensified.⁷²

The Ten-Year Perspective listed five "Pillars of Development":

1. Decolonization - i.e., "Tunisification" of the economy.
2. The "Promotion of Man" - i.e., meeting basic needs, such as education and health.
3. Autonomous Development - i.e., "Self-reliance."
4. Structural Reform - including agricultural and commercial cooperatives.
5. Demographic Planning.

These "five pillars" reflected the "global" conception of the planners for Tunisian development, all necessary and theoretically none more important than

another. Therefore, it is not entirely accurate to say that the cooperatives (structural reform) were the most important aspect of the new economic policy.⁷³ In practice, however, the cooperatives were the most visible feature of the policies of the 1960s, and the aspect which, according to the rhetoric, would render Tunisian socialism "authentically Tunisian." These cooperatives were to be "generalized to all sectors of the economy excepting heavy industries and public utilities," (which were part of the state sector) although "out-right ownership of the means of production was ruled out as alien to Tunisian heritage and mentality."⁷⁴

The Tunisian agricultural (and other) cooperative system was organized in a hierarchical manner under the Ministry of Planning and Finance.⁷⁵ Within the Ministry, a director of cooperation was established in July 1962, whose function it was to supervise the Regional Union of Cooperatives established by the end of 1963 in each of the thirteen gouvernorats. The function of a Regional Union of Cooperatives, operating under the authority of the governors, was to coordinate the activities of all the cooperatives in the province. Each Regional Union of Cooperatives would "supervise accounting and finances, provide a channel for subsidies and loans from the central government, and act as the provincial policy-making

group"⁷⁶ for all the cooperatives. Underneath the governor in this structure was the director of the Regional Union of Cooperatives who, among other things, served as the liaison to the Neo-Destour party. The president of the regional commission for agricultural cooperation was subordinate to him. The regional commission was composed of the director of the Regional Union of Cooperatives, two representatives of the National Union of Tunisian Farmers and an inspector and an agricultural engineer from the Secretariat of State for Planning. The function of the regional commission was to mobilize the rural population. There was a great deal of overlap of the cooperative organization, the local party hierarchy, and the provincial administration.

This overlap was also found on the local level, where the Regional Union of the Development served to administer cooperative activity for technically defined regions, generally corresponding to the local administrative unit, or shiekhat. In particular, the Regional Unions of the Development were supposed to implement the regional plans which were prepared under the direction of the Ministry. (Ashford maintains that these plans were usually prepared by French agencies under contract.) The Regional Unions of the Development would thus supervise all cooperatives operating at the regional level which

included most of the agricultural production cooperatives.

The first agricultural production cooperatives, or Union Cooperatives of Production were created in 1962, the inaugural year of the first development plan. This plan foresaw the creation of Union Cooperatives of Production only in the "traditional" sector; that is, to incorporate ~~farms~~ farms which were otherwise too small to modernize. They were located primarily in the north, and generally consisted of small peasant-owned properties (totaling approximately 300 hectares) grouped around a large (averaging 200 hectares) former colon farm. The small landowners either became members of the cooperatives, with their land incorporated into it, or else the land was rented from non-participating owners for use by the cooperative. For those Union Cooperatives of Production created between 1962 and 1965, approximately 42.5% of the land had been state-owned (i.e., primarily colon land bought or nationalized by the government), approximately 44% came from privately owned land, and only about 13% was rented.⁷⁷ The workers of these cooperatives (ideally families) were mostly landless peasants who used to work on the colon farms, and the owners of the incorporated lands. The former colon workers were given first priority. Because the

cooperatives were farmed as one unit instead of many individual plots, they required fewer workers than were before.

These cooperatives, being located on land which had already been developed were able to begin production immediately. All that really changed was the management. Equipment which already existed on the large nuclei farms were charged as debt against the cooperatives. Because of this inherited equipment and state encouragement to acquire new equipment through loans and subsidies, production was highly mechanized. Their major crops were cereals, fodder, legumes, grapes for wine, and olives. In comparison, the large Tunisian-owned farms, which remained in the private sector until 1969, continued to concentrate almost exclusively on extensive grain growing.

A relatively large number of "pre-cooperatives" were also created in the North (see Table 4). In this type of cooperative, the coopérateurs leased the land from the state, which retained formal title. These were considered temporary arrangements, until full Union Cooperatives of Production could be created.

The coopératives de polyculture et mise en valeur were a second major kind of agricultural cooperative. These were generally created (before 1969) in the center

TABLE 4

EVOLUTION OF THE NUMBER OF COOPERATIVES FROM 1960 TO 1966
(SITUATION AT THE END OF THE YEAR)

SECTORS	AGRICULTURE PRODUCTION	SERVICE	FISHING	HANDICRAFTS AND SMALL INDUSTRIES	CONSUMPTION	MUTUAL CREDIT	TOTAL
YEAR 1960	-	17,292	546	5,381	684	-	23,913
1961	-	17,962	546	5,867	1,188	-	25,563
1962	593	19,009	786	8,289	1,557		30,234
1963	11,622	19,720	904	8,988	4,146	1,132	46,512
1964	14,530	59,385	2,889	14,490	22,605	4,558	118,457
1965	23,952	84,665	2,568	13,340	44,732	14,046	184,083
1966	36,483	96,090	2,650	8,616	65,616	32,881	242,642

Source:

Cahiers du Centre de Recherches et d'Études Administratives. Le Développement Économique
Tunisien: Aspects Originaux d'une Expériment Pilote.

and south of the country. After 1969, when the cooperative movement was generalized to include all arable land, it became difficult to distinguish between polyculture and production cooperatives. Until that time, however, the two were quite different in intent and origin.

Unlike the production cooperatives, which were a case of collectivization of private lands, "they were essentially an offspring of the government effort to develop the communal or collective tribal lands . . . especially in the governorats of the interior, Kasserine, Kairoun, and Gafsa."⁷⁸ These lands, which had only recently been removed from collective ownership, were mostly used for grazing. As implied by the phrase mise en valeur, the government's concern was to emphasize the development of these relatively poorer and underdeveloped lands. This took the form of irrigation projects, the planting of crop trees, the organization of grazing, and the creation of forage reserves. The coopérateurs were in general members of the collectivity which had traditional claim to the land upon which the cooperative was created, and who participated directly in its exploitation.

Because the land in these areas is less fertile, the cooperatives created there tended to be larger than those in the north; an average size of 3,300 hectares as

opposed to 1,052. However, only 50% of the average poly-culture cooperative's area was cultivable. Furthermore, because the tree crops require an average of ten years after planting before they become productive, the poly-culture cooperatives had no independent income and were thus entirely dependent upon government subsidies.

The third type of agricultural cooperatives were the coopératives de service which, as the name implies, did not involve cooperative farming; the owners retained private title to their land. The service cooperatives were created to facilitate collective purchase and sharing of farming equipment and agricultural supplies (e.g., seeds and fertilizer). Another important function of the cooperative was collective marketing of the members' production. One of the primary objectives of these cooperatives was to compel the owners to make certain investments in the land--such as pruning and fertilization--which had been neglected. In support of this, the cooperatives also acted as vehicles for obtaining credit. (Credit cooperatives also existed, however.)

The service cooperatives' "most important application, and politically the most controversial aspect of the entire cooperative scheme (was) to organize the independent olive farmers of the Sahel, or coastal plains."⁷⁹ These farmers were relatively wealthy, and

were assumed to possess a certain degree of political influence, as the region had historically been an important source of support for the Destourian party, and the families of a large percentage of the Tunisian leadership originated from this area. The first service cooperatives, in trade as well as in agriculture, were set up earlier than the production cooperatives in these sectors, the first being officially created in 1960. Production cooperatives were created in that year, however, for the fishing, handicrafts, and building industries.

Domestic trade was an important area of concern for the reformers. By extending the cooperative system to wholesalers and retailers, as well as to agricultural producers, the government hoped to improve service to customers, coordinate and increase productivity, reduce excessive middleman profits, encourage superfluous wholesalers to redirect capital into production (particularly light industry), and generally generate economies of scale throughout the chain of production. The state took control of foreign trade in consumer goods in 1961, and the next year cooperative wholesale monopolies for these goods were established in each of the gouvernorats. These cooperatives, which held a strict monopoly for certain goods, supplied the retailers who were obliged to

invest capital into their region's wholesale cooperative.

After 1966 the retailers were also cooperativized. An average of three to five private retailers were grouped into a single retail outlet, pooling their capital and inventory. These expanded stores were in turn organized in one local cooperative which had a monopoly over retail grocery trade in its district. The result was lower prices to consumers (even on goods which were not subject to government price controls) and generally higher incomes to the retailers because of lower overhead costs. Thus even after the state policies were reversed some retailers chose to remain in their cooperatives.

The first shift in the orientation of Tunisian economic policy, away from liberalism, was a more gradual process than was the abrupt repudiation of the "socialist" policies, particularly of cooperativization, in September 1969. For example, some cooperatives were established before economic planning was formally accepted in 1961. Implementation of the new economic policies took place in a gradual fashion, at least until 1964.

The 1961-1969 socialist era in Tunisia may actually be divided into two phases. During the early phase, which lasted until mid-1964 and which corresponds

to the time frame of the three-year "pre-plan" the framework for the policies of the era were laid down. Economic development measures were gradually introduced, including the creation of the first agricultural cooperatives for production in 1962. This period was a transitional stage, characterized by increasing state control and a change in the political atmosphere from reconciliation of interests to more aggressive mobilization.

The three-year pre-plan "set the basic direction of industrial investment with the objective 'decolonizing' the old economic structures by introducing new methods of production."⁸⁰ During this period, infrastructural investment was emphasized (i.e., in agriculture, wholesale and retail trade, and social services, especially educational and vocational training). During this period "Tunisification" of the economy, begun to a limited extent upon independence, was continued and intensified.

In 1962 "all enterprises engaged in the production, transportation, distribution, importation and exportation of electric power for domestic uses were nationalized."⁸¹ The facilities were then transferred to a new public body with financial autonomy, the Société Tunisienne de L'Électricité et Gaz. Cooperatives figured in the "Tunisification" of the industrial sector of the

economy as well as the agricultural sector, although not on such a massive scale. Existing industries were "partially nationalized" and increasingly under closer government direction, with government and foreign financing. For example, in 1962 the textile industry was brought under the control of a "National Textile Office" and three cooperatives were established (for cotton, wool, and clothing) with the goal of expanding existing capacity.

The quantitative goals set in the 1962-1964 pre-plan were even more ambitious than those of the "Perspective." Agricultural production was to be raised 40% over the preceding years, industrial production was to grow at a rate of 10% per year, and the total national output was to increase by 39% over the course of the three-year plan. "This requir(ed) an investment effort one third greater than foreseen in the Perspective; domestic savings (were) to rise from 10% of the Gross Domestic Product in 1960 to 30% in 1964."⁸² Investment did grow at a rate of 11.7% during the period of 1960-1964, and the Gross Domestic Product increased 4.6% (in comparison to the planned 6.5%).

Although foreign aid was to be limited to 50% of new investment, this remained a heavy percentage and reflected the fragile foundation upon which Tunisia was attempting to undertake autonomous development.

Furthermore, where investment goals conflicted with the goal of "self-reliance," the former clearly were of higher priority for the planners. In order to balance this reliance on foreign sources, the planners anticipated that the agricultural cooperatives would provide a basis for domestic capital formulation. This concept was extended to the commercial sector (as well as to the increased number of agricultural cooperatives) during the "accelerated" phase of the late 1960s. Thus Zamiti's analysis (of the marketing cooperatives) is that "the State, in order to divert a part of the marketing revenues formerly allocated to family consumption and home savings towards industrial development, appropriated administratively the means of exchange."⁸³

With the nationalization of all foreign-owned property in May 1964, Tunisia entered the second phase of the "socialist" experiment, "a mobilization period highlighted by the rise and precipitous fall of Ahmed Ben Salah and his socialist cooperativist scheme."⁸⁴ This phase corresponds to the time frame of the Four-Year Plan for 1965-1968. Public industrial investment during this period, anticipated to grow at a high rate in contrast to the previous three years, "focused on immediately profitable undertakings and production for export."⁸⁵

Industrialization and modernization was emphasized. Economic policy during this second phase also included plans to take over foreign and wholesale commerce.

However, the government was running serious deficits, and it was felt that certain measures needed to be taken to stabilize the economy before the new plan could be implemented. This was particularly the case because of the cessation of all French aid, as well as the closing of the French market to Tunisian wine and France's refusal to renew the 1959 trade convention following the nationalization of French-owned lands. Thus the following measures were taken in late 1964:

- * 25% devaluation of the dinar;
- * a compulsory loan imposed on all Tunisians earning more than (approximately) 225 dinars;
- * a wage freeze until the end of 1965;
- * an International Monetary Fund loan of \$14.25 million in foreign currency.

In addition, prices were raised on most imports (excepting "essentials" such as milk and medicines) with the price differential on existing stocks going mostly or entirely to the government.

The most outstanding feature of Tunisia's political economy from 1964 until the end of the socialist experiment in 1969 was the rapid expansion of the cooperative program, including the progressive cooperativization

of retail trade which began in 1966. In theory, the cooperative and state sectors were to remain separate but coordinated, in accordance with the principle of a three-sector economy as outlined at the Bizerte Conference of October 1964. In practice the state also controlled the cooperative sector as it set the objectives of production, determined investments, and set the prices for most products.

The decision to include retail trade in the cooperative program particularly affected the small scale grocers, mostly Djerbians, "who formed so characteristic a part of the Tunisian towns."⁸⁶ The Djerbians are "a class of merchant entrepreneurs originating from the island of Djerba. Comprising about half of the Tunisian merchant class, they set the standards and life patterns for all retail merchants before the reform. . . . The majority of Djerbians . . . simply rode the tide of the reforms, resisting passively. They withdrew much of their capital from the commercial enterprises, but continued to work as members, and sometimes directors of the retail cooperatives."⁸⁷

The acceleration of the cooperative movement became explosive after January 1969, when the decision was made to incorporate "all cultivable land into the system. This decision, in effect nullified the

"three-sector" principle which had been a plank of Destourian socialism, as the private sector was not being eliminated (see Tables 5 and 6).

The nationalization of foreign lands encouraged the expansion of the agricultural cooperative program for at least two reasons. First, and most obviously, "with the confiscation of remaining foreign farm property in May 1964, the Office des Terres Domainales suddenly found itself responsible for more than 300,000 hectares of the country's richest lands . . ."⁸⁸ which somehow had to be administered. The 1969 decision then tripled the amount of land under state control. Secondly, and according to Knapp more importantly, were "the pressures which were created on the economy by the retaliatory measures of the French government and the consequent urgent need for successful mobilization of the agricultural sector."⁸⁹

On September 2, only a few months after the decision had been made to universalize the agricultural cooperative program, it was reversed. Furthermore, all land which had been privately owned prior to 1969 was allowed to be reclaimed by its former owners. The cooperatives in the commercial sector were also allowed to dissolve. The portfolio of Plan and National Economy was taken away from Ben Salah on September 8, and on November 7, he was also relieved of the Education

TABLE 5
EVOLUTION OF "PRODUCTION" AND "POLYCULTURE" COOPERATIVES

DATE	N U M B E R			AREA (THOUSANDS OF HECTARES)			Initial Phase
	NORTH	SOUTH CENTER	TOTAL	NORTH	SOUTH CENTER	TOTAL	
DEC. 1962	15	0	15	10	0	10	Initial Phase
JULY 1963	86	0	86	79	0	79	
DEC. 1964	200	70	270	182	115	297	Acceleration
DEC. 1965	266	96	362	254	123	377	
DEC. 1966	301	103	404	372	223	595	
DEC. 1967	338	136	474	421	332	753	
MAY 1968	338	141	479	N/A	N/A	805	
JAN. 1969	642	402	1,044	627	1,180	1,807	
AUG. 1969	1,180	805	1,985	1,812	2,856	4,667	

TABLE 5 (CONTINUED)

DATE	N U M B E R			AREA (THOUSANDS OF HECTARES)	
	NORTH	SOUTH CENTER	TOTAL	NORTH	SOUTH CENTER TOTAL
DEC. 1969	322	195	517	333	840 1,172
					Reversal

Note 1.: Until 1969, production cooperatives were entirely in the north, and polyculture cooperatives in the center/south.

Note 2.: In some cases, the figures may be approximate. The source's figures do not correspond exactly, especially for the years 1965-1967. This is primarily due to differences in definition of what is to be included, especially in the case of polyculture cooperatives.

Note 3.: Cellules de Mise en Valeur are sometimes called Unités coopératives d'exploitation (after 1962), and are excluded from this table.

Sources:

Grissa, A. Agricultural Policies and Employment: Case Study of Tunisia. OECO, Paris, 1973, p. 273.

Republique Tunisienne. Rapport d'Exécution du Plan pour l'Année, 1966. Tunis, 1966.

Simmons, John L. "Agricultural Cooperatives and Tunisian Development." The Middle East Journal, Volume 24, No. 4, p. 463.

TABLE 6

RELATIVE SIZE OF ECONOMIC SECTORS: PRIVATE, STATE, AND COOPERATIVES

DATE	AGRICULTURE		INDUSTRY MEDIUM AND LARGE ENTERPRISES	HANDI- CRAFTS	COMMERCE		TOURISM AND BANKING
	NON-STATE LAND	STATE LAND 740,000 HECTARES			WHOLESALE	RETAIL	
JUNE 1964	Private	State farms or bureaus + (approx.) 20 coop- eratives	50% of pro- duction by public or parastatal	Priv- ate	Public or para- statal (regional trading societies & bureaus of/for commerce)	Private	Mixed private & public tourism mostly private
DEC. 1967	Private	State farms or bureaus + (approx.) 50 coop- eratives	66.6% public or parastatal 33.3% private	Private	Same as above	Groceries: consumer coops. & commercial units; all other trade private	Same as above

TABLE 6 (CONTINUED)

DATE	AGRICULTURE		INDUSTRY MEDIUM AND LARGE ENTERPRISES	HANDI- CRAFTS	COMMERCE		TOURISM AND BANKING
	NON-STATE LAND	STATE LAND 740,000 HECTARES			WHOLESALE	RETAIL	
DEC. 1968	90% Private 10% Coopera- tives	State farms or bureaus + (approx.) 300 coop- eratives	Same as above	Priv- ate & Coops.	Same as above	Local trade coops. for most pro- ducts	Same as above
AUG. 1969	20% Private; 80% Coops. (4.5 mil. Hectares)	Same as above	Same as above	Same as above	Same as above	Same as above	Same as above
APRIL 1970	90% Private 10% Coopera- tives	Same as above	Same as above	Priv- ate	Same as above	Local trade coops. & private	Same as above

TABLE 6 (CONTINUED)

DATE	AGRICULTURE		INDUSTRY MEDIUM AND LARGE ENTERPRISES	HANDI- CRAFTS	COMMERCE	TOURISM AND
	NON-STATE LAND	STATE LAND 740,000 HECTARES			WHOLESALE	RETAIL
MARCH 1971		20% Private			Private:	
		18% Product Coops.			wholesale & bureaus of/for	Same as above
		28% Service Coops.		Same as above	commerce (some not nonopo- lies)	Private
	Private	24% State farms or bureaus	Same as above			

Source:

Morrison, Christian. "Économie: Les Nouvelles Orientations," Le Monde, 11-12 April 1971
(special issue on Tunisia), p. 15.

portfolio. On March 3, 1970, he was arrested on charges of "high treason." His chef de cabinet, the director of the National Union of Cooperatives, and others were also arrested. The cooperative program, which had been the backbone of Tunisian domestic economic policy had been discredited, and a new era of "liberal economic policy" had begun.

ECONOMIC POLICIES SINCE 1969: REVERSAL OF THE EXPERIMENT

Since the reversal in orientation of its basic economic policy in 1969, Tunisia has remained firmly in the mainstream of developing countries which have chosen the capitalist pathway:

Following the socialist experiments of 1960s, for the past decade Tunisian government policy had been to encourage the domestic private sector and to seek private sector and to seek private investment from external/international business. Liberal taxation regulations, guarantees on profit repatriation, and related rules on imports for industry are some of the measures used by Tunisia to create a positive climate for local and overseas investors. . . . The 1970s reorientation and liberalization of economic policies has resulted in reduced Tunisian government involvement and controls in the industrial sector, and a much reduced level of public investment in the parastatal sector. Industrial policy is now more open and outward-looking; it aims at export promotion.⁹⁰

By August of 1969, one month before the end of the cooperative movement, cooperatives and public enterprises dominated the whole of the Tunisian economy, except for the tourism and banking sectors. However, the

first major policy decision of the new era was to reverse the decision to incorporate all remaining privately held farm lands into the cooperative system. Almost overnight, the private agricultural sector was restored as "without waiting for any further directives, peasants all over the country went into the fields, staked out their former properties, the boundaries of which had been obliterated, and reclaimed possession."⁹¹ Furthermore, new legislation allowed much of the public land to be sold to private buyers. By 1971 the amount of land remaining under government control was less than that of the previously foreign-owned lands. "Only 727 thousand hectares of agricultural land were in cooperatives or under direct state management."⁹²

A new agricultural policy was proclaimed, stressing the integration and cohesiveness of the three sectors: cooperative, private, and public. This three-sector approach remains official Tunisian policy, with the three sectors being of supposedly equal importance in the economy. However, the private sector predominates. "The government's main role is now to manage state-owned lands, encourage voluntary cooperativization, and aid in consolidation for rational use of small plots."⁹³ The Fourth Development Plan (1973-1976) sought to increase the percentage of directly productive investments (e.g.,

irrigation, machinery, equipment, and reforestation), leaving most of the initiative to the private sector. Thus public sector contribution to these investments dropped from over 70% in 1970-72 to approximately 50% in 1973-74.⁹⁴

The return to liberal economic policies was very abrupt, especially if the dismantlement of the cooperative system and the new government rhetoric (including statements by Bourguiba and his new highest official) as proof of the policy change. Yet the switch-back was also accomplished in phases. The first phase took place under the aegis of Bahi Ladgham, who replaced Ahmed Ben Salah. For agriculture and retail trade Lagdham allowed free choice between returning to the private sector or continued participation in the cooperatives. However, a rather rigid planning policy was maintained. "In fact, the mechanisms of intervention established before September 1969 remained in place and continued to function."⁹⁵ The policy of the immediate post-Ben Salah period found expression first in a law (projet de loi) issued on September 3 which stated that the private sector in agriculture had to be retained, and to that end the government renounced its collectivization policy. Two days later, Lagdham recommended to the governors that all cooperatives which had been established after January 24

of that year and which were not "psychologically, technically, or financially viable" be dissolved.⁹⁶ Thus participation became voluntary.

The appointment of Hedi Nouira as Minister of the Economy in June 1970 began the second stage of the return to a liberal economic policy in Tunisia. Nouira, who became Prime Minister on November 2 of that year "set for himself the highly unglamorous task of backtracking from socialism to capitalism."⁹⁷ Legislation endorsed by the party congress held in October 1972 at Monastir reaffirmed the government's new commitment to economic liberalization. As he explained the new policy on November 17, the government would retain control over certain "sensitive" sectors, and would control the production and distribution of basic necessities such as cereals and oils, but it would not be permitted to intervene indiscriminately in all areas of economic activity. The state "would no longer retain a key decision-making role, particularly in such key sectors as credit and foreign commerce," and "protectionism of industries (was) to be considered temporary wherever possible in order to encourage private initiative."⁹⁸ Nouira, who it may be recalled, had opposed the socialist reforms proposed by Ben Salah as early as 1956, summarized the new philosophy

by stating: "Without a doubt the law of the marketplace is tough, but it is the law of truth; and furthermore, it is the law of progress."⁹⁹

Some agricultural cooperatives still exist, but they are primarily service rather than production cooperatives, and the state has even attempted to turn over traditionally state domain lands (the state farms) to private interests. However, the state is still involved in subsidizing inputs to farmers and in marketing agricultural production. The government also maintains a system of price controls on the most important agricultural commodities, including cereals, olives, and grapes. But this was likely to change as foreign development assistance from western sources continued to be of increasing importance and "Tunisians have been subjected to continuous recent pressure from organizations such as the World Bank and the United States Agency for International Development to extend their liberalization policies to the agricultural sector."¹⁰⁰

Since 1969, Tunisian policy regarding the commercial sector has been to encourage the "development of individual private businesses by authorizing them to import goods directly. This process caused the gradual abandonment of existing retail and wholesale cooperatives and a rapid increase in new business investments by the

Tunisian private sector."¹⁰¹ Consequently, most retail and wholesale businesses are in the private sector. The government does, however, still regulate these businesses and impose selective price controls.

State enterprises, either entirely or partially government-owned, still play an important role in the economy. They "range from utilities and transport companies to import monopolies for certain products, and manufacturing, commercial, and service firms which compete with the private sector."¹⁰² Some state enterprises import for their own use, others serve as distributors to other end-users.

Although foreign economic development assistance was (and is) considered to be of great importance, more emphasis had been placed on courting private investment. To that end, "since 1972 the Tunisian Government has encouraged foreign investment through a series of investment promotion laws. . . . Firms producing for export only receive tax, duty, and exchange control advantages, and their activities are governed by the Export investment Code of 1972, which permits 100% foreign ownership."¹⁰³

The underlying concept of this law is the view that Tunisia's major strengths in future manufacturing potential are its proximity to the large European market for consumer goods; low wages in good labor-relations climate; and a good record of relations with foreign investors. The law is in effect a tool attempting to encourage the

development of industries that import inputs; add some value in a generally labor-intensive operation; and reexport a finished product--a Singapore or Hong-Kong Model, sometimes referred to as "off-shore assembly."¹⁰⁴

A second investment code, issued in 1974, "promotes investment in domestically oriented manufacturing enterprises, with incentives varying depending according to plant location and number of jobs created."¹⁰⁵ The government also established an Investment Promotion Agency in 1973, to put potential investors with projects and to simplify procedures, and in 1976 passed an Off-shore Banking Act to establish financial institutions which work exclusively with nonresidents and foreigners.

An important example of the increased reliance on foreign private investment is the direction that the development of the tourist industry has taken in Tunisia. Some development of the tourist industry had been anticipated under the old policies (in fact, during the 1960s the number of tourists approximately doubled.) But since 1969, upon the advice of international experts, development of tourism has gone far beyond what the earlier planners considered appropriate. It has been very heavily financed by foreign investors. According to an article in Le Monde written in 1971, "the economic liberalization at the end of 1969 has favored foreign investment in

Tunisia."¹⁰⁶ However, it must be noted that foreigners are not allowed to own land.

Tourism became a major source of foreign exchange earnings for Tunisia, reaching \$515 million (3.3% of Gross Domestic Product) in 1979. This sector grew steadily during the 1970s: total receipts grew 9% in 1976, 11% in 1977, 15% in 1978, and 22% in 1979.¹⁰⁷ The government strongly encourages foreign participation in this sector and so created a holding company, COFITOUR, with financing from the World Bank, private foreign investors, Tunisian financial institutions, and private Tunisian residents. The company is open to any private enterprise wanting to invest in the Tunisian tourist industry.¹⁰⁸

Multi-year plans continue to be developed by the Ministry of Planning, but their goals and objectives reflect the new emphasis on liberal economies. The plans are more a statement of goals and priorities than they are a firm blueprint for action. The current Sixth Development Plan (1982-1986) has as its three major priorities increased employment (Tunisia in the past has relied heavily on foreign markets to relieve its unemployment problem), "decentralization," or regional development, and achieving a balance of payments equilibrium. These objectives have been somewhat displaced by an increasing

problem with curbing inflation. The strategy adopted for obtaining regional development is to encourage investment in the poorer regions by providing fiscal incentives.

NOTES

¹Mr. Ben Salah has objected to the word "failed" in reference to the socialist experiment. It must be made clear that the term "failed" does not necessarily imply a value judgment about the effectiveness of the economic policies themselves, but rather acknowledges the fact that these policies were abandoned, and in this sense the socialist experiment did in fact fail.

²Because two policy shifts must be explained, it is possible that a particular theory may be more successful at explaining the adoption of socialism than its abandonment, or vice versa.

³Dereck T. Healey. "Development Policy: New Thinking about an Interpretation?" Journal of Economic Literature, Volume 10, No. 3 (September, 1972).

⁴John P. Entelis. Comparative Politics of North: Algeria, Morocco, and Tunisia. Syracuse University Press, Syracuse, New York, 1980, pp. 22-23.

⁵Jamil M. Abun-Nasr. A History of the Maghreb. Cambridge University Press, 1971, p. 281.

⁶See Chapter II, p. 45.

⁷Speech by Habib Bourguiba, June 19, 1972, on the occasion of his first official visit to Paris. Quoted in Knapp, Wilfrid A. North West Africa: A Political and Economic Survey. 3rd edition. Oxford University Press, Oxford, 1977, p. 394.

⁸Ghazi Duwaji. Economic Development in Tunisia; the Impact and Course of Government Planning. Praeger, London, 1967, p. 21.

⁹Figures calculated from Duwaji, *ibid.*, p. 23.

¹⁰*Ibid.*, p. 24.

¹¹Figures taken from Abdelkader Zghal. "Les Effets de la Modernisation de l'Agriculture sur la Stratification Sociale dans les Compagnes Tunisiennes." Cahiers Internationaux de Sociologie, Volume 38 (1965): 201-206.

¹²See Douglas E. Ashford. Morocco-Tunisia: Politics and Planning. Syracuse University Press, 1965.

¹³Duwaji. Op. cit., p. 15.

¹⁴Entelis. Op. cit., pp. 175-177.

¹⁵Khalil Zamiti. "The Reform of Marketing Structures in Tunisia: State Capitalism or Collectivizing the Means of Exchange," in Nask, et al., eds. Popular Participation and Social Change. The Hague, Mouton, 1976.

¹⁶Richard Hall. "Tunisia: An Experiment the Aid Experts Watch." African Development, Volume 17 (July 1969).

¹⁷Entelis. Op. cit., p. 153.

¹⁸Ibid, pp. 154-155.

¹⁹Gottheil. "Iraqi and Syrian Socialism: An Economic Appraisal." World Development, Volume 9, pp. 825-837.

²⁰Tetteh A. Kofi. "Prospects and Problems of the Transition from Agrarianism to Socialism: The Case of Angola, Guinea-Bissau and Mozambique." World Development, Volume 9, p. 854.

²¹Quoted in "Dakar Collection, Search for a Definition." Africa Report: Special Issue on African Socialism, Volume 8, No. 5 (May 1963): 19.

²²Julius K. Nyerere. Ujamaa, Essays on Socialism. Oxford University Press, Dar es Salaam, 1968, p. 8.

²³Kofi. Op. cit., p. 854.

²⁴Nyerere. Op. cit., pp. 11-12.

²⁵W. Friedland. "Basic Social Trends," in Friedland, William H., and Rosberg, Carl G., Jr., eds. African Socialism. Stanford University Press, Stanford, California 1964, p. 21.

²⁶Weaver and Kronemar. "Tanzanian and African Socialism," World Development, Volume 9, No. 9/10 (September/October 1981 - special issue); 842.

²⁷C. Morse. "The Economics of African Socialism" in Friedland and Rosberg, op. cit., p. 37.

²⁸Ibid.

²⁹Ibid., p. 38.

³⁰Ibid., p. 39.

³¹Ibid., p. 40.

³²Ibid., p. 41.

³³Friedland and Rosberg. Op. cit., p. 19.

³⁴Ibid.

³⁵Ibid.

³⁶Weaver and Kronemar. Op. cit.

³⁷Crawford Young. Ideology and Development in Africa. Yale University Press, New Haven, 1982, p. 105.

³⁸Weaver and Kornemar. Op. cit., p. 842.

³⁹Young. Op. cit., p. 119.

⁴⁰Taken from République Tunisiene; Secrétariat d'État au Plan et à l'Économie Nationale. Plan Quadriennal 1965-1968. Tunis, 1965, pp. 12-15.

⁴¹Ibid., p. 131.

⁴²Knapp, 1977, op. cit., p. 381.

⁴³Charles A. Micaud. Tunisia: The Politics of Modernization, with Leon Carl Brown and Clement Henry Moore. F. A. Praeger, New York, 1964, p. 131.

⁴⁴Duwaji. Op. cit., p. 25.

⁴⁵John L. Simmons. "Agricultural Cooperatives and Tunisian Development." Part I, Middle East Journal, Volume, No. 4 (Autumn 1970): 456.

⁴⁶Entelis. Op. cit., pp. 174-175.

⁴⁷Richard Lawless and Allan Findlay, eds. North Africa: Contemporary Politics and Economic Development. Croom Helm, London and Canberra, 1984, p. 105.

⁴⁸Elbaki Hermassi. Leadership and National Development in North Africa: A Comparative Study. University of California Press, Berkeley, 1972, p. 184.

⁴⁹Micaud. Op. cit., p. 173.

⁵⁰Abdessater Grissa. Agricultural Policies and Employment: Case Study of Tunisia. OECD, Paris, 1973, p. 70.

⁵¹Ibid.

⁵²Knapp. 1977, op. cit., p. 380.

⁵³Grissa. Op. cit., p. 71.

⁵⁴Ibid., p. 70.

⁵⁵Ibid.

⁵⁶Ibid., p. 71.

⁵⁷C. Debbasch and M. Camau. La Tunisie. Editions Berger-Levrault, Paris, 1973, p. 13.

⁵⁸Grissa. Op. cit., p. 72.

⁵⁹Abdelkader Zghal. "Les Effets de la Modernization de l'Agriculture sur la Stratification Sociale dans les Compagnes Tunisiennes." Cahiers Internationaux de Sociologie, Volume XXXVII (1965): 204-205. (My translation.)

⁶⁰Ibid., p. 205.

⁶¹See "Rapport Economique." Sixth Congress of the General Union of Tunisian Workers, September 20-23, 1956.

⁶²Entelis. Op. cit., pp. 131-132.

⁶³A. J. Meyer in Brown, Leon Carl, ed. State and Society in Independent North Africa. The Middle East Institute, Washington D.C., 1966, p. 240.

- ⁶⁴Entelis. Op. cit., p. 175.
- ⁶⁵Ibid., p. 134.
- ⁶⁶Interview with Ahmed Ben Salah, February 14, 1984.
- ⁶⁷Entelis. Op. cit., p. 176.
- ⁶⁸Grissa. Op. cit., p. 95.
- ⁶⁹Oli Hawrylyshyn. Planning for Economic Development: The Construction and Use of a Multisectoral Model for Tunisia. Praeger, New York, 1976, p. 24.
- ⁷⁰Ibid.
- ⁷¹Evangelos A. Calamitsis. "Stabilization Problems and Policies in Tunisia." Finance and Development, Volume 7, No. 3, p. 44.
- ⁷²Ibid.
- ⁷³Interview with Ahmed Ben Salah, February 14, 1984.
- ⁷⁴Grissa. Op. cit., p. 69.
- ⁷⁵This discussion is taken from Ashford, in Zartman, I. W., ed. Man, State and Society in the Contemporary Maghreb. Praeger, New York, 1973, pp. 36-38.
- ⁷⁶Ibid., p. 36.
- ⁷⁷Adapted from Grissa. Op. cit., p. 73.
- ⁷⁸Ibid., p. 75.
- ⁷⁹Ashford (in Zartman). Op. cit., p. 38.
- ⁸⁰Abderrahman Robana. The Prospects for an Economic Community in North Africa; Managing Economic Integration in the Maghreb States. Praeger, New York, 1973, p. 110.
- ⁸¹Duwaji. Op. cit., p. 206.
- ⁸²Micaud, 1964, op. cit., p. 183.
- ⁸³Khalil Zamiti. Op. cit., p. 31.

⁸⁴Entelis. Op. cit., p. 129.

⁸⁵Roban. Op. cit., p. 110.

⁸⁶Wilfred Knapp. Tunisia. Walker and Company, New York, 1970, p. 197.

⁸⁷Russell Stone. "Tunisian Cooperatives: Failure of a Bold Experiment." Africa Report, Volume 16 (June 1971): 21.

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⁹⁰John R. Nellis. "A Comparative Assessment of the Development Performances of Algeria and Tunisia." The Middle East Journal, Volume 37, No. 3 (Summer 1983): 374.

⁹¹Benno Sterno-sarel. "It's Not Enough to Want It." CERES (FAO Review), Volume 3, No. 2 (March-April 1970): 30-34.

⁹²Thomas E. Daves and Herman van Wersch. In Stone, R. A. and Simmons, J., eds. Change in Tunisia. Albany, New York, 1976, p. 42.

⁹³Ibid.

⁹⁴International Monetary Fund. Surveys of African Economies: Algeria, Mali, Morocco, and Tunisia, Volume 7, Washington, D.C., (1977): 276.

⁹⁵Christian Morrison. "Économie: les Nouvelles Orientations." Le Monde. (April 11-12, 1971 - special edition): 15.

⁹⁶Ibid.

⁹⁷Lorna Hahn. "Tunisia Prepares for Politics after Bourguiba." Africa Report, Volume 16 (June 1971): 17.

⁹⁸Ibid.

⁹⁹Quoted in Morrison. Op. cit. Taken from Nouira speech. (My translation.)

¹⁰⁰Ibid., p. 375.

¹⁰¹International Trade Administration. "Marketing in Tunisia." Overseas Business Reports. United States Department of Commerce, Washington, D.C., (March 1981): 10.

¹⁰²Ibid., pp. 10-11.

¹⁰³United States Department of Commerce. Foreign Economic Trends: Tunisia. (September 1983): 13-14.

¹⁰⁴Hawrylyshyn. Op. cit., p. 162.

¹⁰⁵International Trade Administration. Op. cit., p. 20.

¹⁰⁶Le Monde, 11-12 (April 1971 - special issue on Tunisia): 12.

¹⁰⁷International Trade Administration. Op. cit., p. 9.

¹⁰⁸Le Monde. Op. cit.

CHAPTER II
THE EFFECT OF DOMESTIC POLITICS
ON ECONOMIC POLICY

WHAT IS A "DOMESTIC POLITICS" EXPLANATION?

The body of literature examined in this chapter is concerned with explanations for state behavior based upon domestic variables, particularly political domestic variables. Like the literature which deals with international political influences upon state policy making, "domestic politics" may be interpreted to include a wide range of potential explanations. Thus the decision to group this eclectic body of literature under one heading is somewhat arbitrary, but it serves to underscore the basic concept of this project: to distinguish among and to compare the power of "economic international," "international political," and "domestic political" explanations for state policy decisions. As with the theoretical chapters to follow, an attempt is made to narrow the argument to main currents of thought which seem most relevant to the case of Tunisia.

This literature does not offer any general (or "grand") theory of international relations on the

magnitude of the world systems theory or the realists' power theory. However, several "middle-range" perspectives have emerged. Two examples of such middle-range perspectives based upon domestic variables are the decision-making approach and the "national attribute" approach. The former has mostly focused on the processes with the content of the policies thereby formulated. The approach is first of all a method for studying policy making. Policy making is conceptualized as "a dynamic psychopolitical process, carried on within an identifiable institutional framework."¹ It is less concerned with prediction and does not offer any if-then hypothesis. The major contribution that decision-making theory can make to the study the Tunisian policy shifts is in how to approach the case. First, it suggests that the structure, or bureaucratic framework, in which the policies are formulated must be identified. It also suggests that the decision-making process is rational. That is, that there are reasons for the actions taken. These reasons--the criteria by which the choices are made--must also be identified. Decision-making theory does not assume any moral value for the criteria used in the decision-making process.²

Whereas the decision-making approach takes the policy-making apparatus itself--the "institutional

framework"--as its most important variable, the national attribute approach sees this as only one among several. Scholars do not always agree on which "attributes" are important, but those most often cited include: type of government (the policy-making "apparatus"), economic strength (usually measured by the Gross National Product), national culture, geographical location, and domestic unrest. The basic assumption of this kind of perspective is that countries which are similar on crucial indicators will act in a similar fashion under similar circumstances. This hypothesis has been used most frequently to explain the foreign policies of states, but the concept may logically be applied to domestic policies as well.

Although such recurrent themes may be identified, domestic politics literature has failed to produce any predominant theoretical consensus. This is because most scholars who are interested in the domestic sources of state policies have limited their inquiries to individual case studies. Overwhelmed by the details familiar to regional experts, these scholars often find the explanation for the events of their case studies in the particularities of the case itself. Whereas mainstream international relations theorists often lack specific regional expertise, and view "domestic structure . . . (as) an independent or intervening variable and sometimes an

independent or intervening variable and sometimes an irrelevant one,"³ regional experts often fail to place their case studies in a broader framework.

In the case of Tunisia, it may be true that unique circumstances or individual personalities played a decisive role in determining the course of economic policy. If these variables were entirely peculiar to this one case then the case is of little interest or use to other developing countries in their search for effective development policies. Nor would it be of much use in the development of international relations theory. However, few if any critical variables which effect policy making are entirely unique to any one country. Even in the case of individual leaders, "types" may be identified since although no one human being is identical to another, patterns of human behavior, wants and needs tend to repeat themselves. This is the basic assumption of all social science. "The solution . . . is to formulate the ideosyncratic aspects of the explanation for each case in terms of general variables. In this way the "uniqueness" of the explanation is recognized but is described in more general terms, that is, as a particular value of a general variable that is part of a theoretical framework of independent, intervening, and dependent variables."⁴

Thus, borrowing from both the decision-making and national attribute perspectives, it is possible to arrive at a rudimentary "domestic politics" hypothesis regarding economic policy choice: similar kinds of policy decisions will be taken under similar circumstances by countries sharing certain important attributes, the problem becomes one of identifying the most important domestic variables (the "attributes") and establishing cause and effect with the policies.

The literature reviewed in this chapter propose some general ideas as to what kinds of domestic variables are important for explaining domestic economic policy choices relevant to the Tunisian case. That is, they help to identify the kinds of national attributes and circumstances which would produce policies of "developmental socialism" and their subsequent reversal. Although the literature dealing with domestic explanations for state behavior has proposed a wide range of potentially important variables, most authors acknowledge the special importance of the role of the state. "State" is intended to refer to the formal government of a country, its organizational structure--its machinery and bureaucracy. In a sovereign nation, it is expected that the state will

play an important role in determining what kinds of policies will be followed, who they will benefit, and their likelihood of success.

The ability of the state to formulate and implement policies independently of the dominant class is the most important variable. Drawing on the work of Krasner and Hamilton, in particular, it is shown that this is facilitated by a state bureaucracy divorced from vested class interests, and a domestic context of transition in which the position of the dominant class is weakened. In Tunisia, the end of the colonial era was such a transitional period. During the early years of independence, the machinations of domestic politics culminated in the emergence of a strong, apparently unified single-party state headed by an extremely popular "national hero." Furthermore, a "modernizing elite" came to the fore at this time whose origins and training predisposed them to strategies of "developmental socialism," planning and cooperativization in particular.

However, the "domestic politics" literature and the Tunisian case show that state strength may actually be more illusory than real, and highly conditional. If a state is, in reality strong, then it must be able to directly and permanently change the structure of the society in which it operates. If it is unable to do so,

Hamilton implies, the dominant class will inevitably reassert itself when its most vital interests are threatened. This appears to be what happened in Tunisia, where the brunt of the reforms were borne by the small peasant farmers, that segment of Tunisian society with the least capacity to resist them. In the final analysis, the very nature of the single-party regime, its hierarchical structure which discouraged adequate interest articulation and feedback from the lower rungs of society, and its vulnerability to the personal political considerations of its head of state, meant that it would not be able to follow through with the "socialist" policies. At this point, the state is seen as "weak" in relation to its society, and it is unsurprising that the policy shifts to one of less control.

THE ROLE OF THE STATE

In international relations, state strength is usually judged on two levels: the power of the state vis-a-vis other states and actors in the international system; and the power of the state vis-a-vis its own society. On both levels, power may be measured in economic, political, or military terms, but it basically means the ability to influence and to resist influence. The states of the developing countries are much weaker

in the international arena than are those of the advanced industrial countries. There may be some exceptions to this generalization: examples include those countries which are in a position to destabilize western financial institutions because of their high level of indebtedness or, conversely, high levels of foreign exchange (petrodollars) invested in the west; the oil-producing countries during much of the 1970s because of the west's short-term inability to find alternative energy supplies; or those southern countries which have developed a nuclear weapons capability. (Yet these are not so much examples of the ability to make international policy as it is to disrupt the status quo.) Tunisia, however, is not in possession of any special attributes which might afford it particular leverage in the international arena. On the contrary, because of its small size and lack of significant natural resources, the country is particularly powerless. If anything, the country's "state" has been its greatest source of strength.

It is at the second level of analysis--vis-a-vis its own society--that the power of the state is most relevant to a "domestic politics" explanation. A state that is strong in the international system is not necessarily strong at the domestic level, and vice versa. The United States, for example, considered to have been

the strongest state in the international system--capable of defining the rules and norms of that system--is seen as having a weak state in relation to its own society. This is because of the fragmented and decentralized nature of power in that nation.⁵

Krasner has posed three questions for determining the strength of the state⁶:

1. Can the state formulate policy goals independent of particular groups within its own society?
2. Can the state change the behavior of specific groups?
3. Can the state directly change the structure of the society in which it operates? (E.g., patterns of ownership.)

If the answer to these questions are all positive, then it may be concluded that the state is strong in relation to its society. Of course, a state might be considered "strong," in a certain sense, even if the apparatus is entirely controlled by one (i.e., the dominant) economic interest group, if it is in a position to implement its policies unchallenged. However, this situation contradicts the basic intention of Krasner and other scholars who focus on the role of the state in explaining policy choices. Krasner's first question implies that in a strong state policies will reflect the collective interest. The state, as the decision-making

apparatus, considers the interests of a plurality of groups and translates them into one official government policy.

The answer to Krasner's first question is most important to the initial decision to adopt "Tunisian socialism." The success or failure of its implementation is related to questions two and three. The presumed inability of the state to change the behavior of groups within the society (such as the peasants) or to directly change the structures of the society (e.g., cooperativize the agricultural and commercial sectors) helps to explain the politics reversal. So, of course, would the state's loss of its ability to formulate policy independently; i.e., the reassertion of interest group control over the state. As discussed in the following section, some scholars believe that few (if any) states will be able to change the structure of its society because of internal contradictions, ultimately endangering the existence of the state itself.

In order to assess the strength of the state, it is important to know the composition and strength of interest groups outside the formal state structure. A weak state will be unable to put into effect economic policies, such as agricultural land reform, to improve the economy's overall performance which threatens the

interests of powerful groups within the society. Thus, for Hamilton, the autonomy of the state "is defined as the ability to use it for ends other than, and particularly contrary to, those of the dominant class, since it is this class which benefits from the reproduction of the existing mode of production."⁷

The composition of the state--the class membership and interest group affiliation of those formally in power--is also important to the extent that it compromises the autonomy of the state. Although it is convenient to treat the state as a "black box" in evaluating its role in policy making, governments are composed of people. In most developing countries--indeed, in most all countries--it is safe to assume that those in power come overwhelmingly from the elite classes. (This is not to say that they necessarily come from the wealthiest class. Bureaucrats are most likely to have middle-class origins, as in Tunisia. But in the poor countries, the relatively small middle-class comprises an elite stratum.) The poorest classes--the landless peasants and the workers--usually have very little political power, and people from this stratum of society rarely have the opportunity to enter into the government.

The identification of domestic interest groups as important factors in influencing state policy does not

mean that international economic and political interests do not also exist. Many authors acknowledge the congruence of interests between domestic elites and actors in the advanced industrialized countries in preserving the economic and political status quo. However, the source of policies to that end is interpreted much differently. That is, although it is possible (or even probable) that domestic elites will attempt to obtain outside support in favor of their goals, the original impetus and primary power to formulate and execute policies comes from domestic sources.

In a case such as Tunisia, where the shift is towards "developmental socialism," it is necessary to explain how the state is able to act autonomously from the dominant class, enacting policies against its interest in favor of those whose political influence is assumed to be negligible. Hamilton suggests that the state be "defined not in terms of its class nature and functions but as a set of institutions (the civil and military bureaucracy--the state apparatus) and those who formally control them."⁸ Skocpol and Trimberger agree:

If one treats states theoretically as potentially autonomous, even vis-a-vis the existing class structure and the dominant class, then one can explore the dynamic interactions between the state organizations and dominant class interest.⁹

This conceptual divorce between the formal role of those in power and their presumed identity as part of the dominant class does allow the analyst to view the state as a unitary actor--the "machine" of the decision-making process. But it does not necessarily provide the answer to where the domestic impetus for the policies comes from. A "modernizing" bureaucratic elite may be postulated for some developing countries which have initiated planning and other specific development policies. If successful in gaining control over the state apparatus, the existence of this new class helps to explain the origins of policies which might otherwise appear to have little support in the society.

In most former African colonies, the state was very weak. The colonial experience undermined the authority of traditional political structures; furthermore, the geographic boundaries of the newly independent nation-states often had little historical or ethnic significance. Tunisia was fortunate in that it was not afflicted by this second condition, having had a fairly well-developed national identity before being colonized. It was also fortunate, relatively speaking, that French colonial practice in Tunisia did not have the same devastating effect on domestic structures that it had, for example, in neighboring Algeria and Morocco. The

institution of the beylical government was left largely intact (although stripped of most of its authority) and, significantly, the political party which came to power upon independence had been accepted, even during the Protectorate, by the French as the legitimate representative of Tunisian nationalism. Although the Tunisian leadership possessed important advantages as compared to that of most former colonies, it too has had to face the process of creating a functioning independent government and building loyalty to the state.

Wallerstein has defined loyalty to the state as "the sense of restraint its citizens feel in pursuing their opposition to specific policies of the government. If they oppose the particular government in power but stop at a point short of destroying it, they can be said to be loyal."¹⁰ This kind of loyalty is built up over time; and in the early years of independence, most African states faced serious challenges from regionalist forces and the disparate interest groups present in the new nation. According to Wallerstein, the African states which have been best able to combat the disintegrating forces are those which adopted the single-party framework:

Almost everywhere, the trend after independence has been in one of two directions: toward a one-party state with consequent stability (if the

resulting single party grouped the major elements) or toward a breakdown of the party system with consequent instability and a tendency for the army to play a growing role.¹¹

In Africa, it is the party, not the government, which holds the loyalty of the people. Thus the party serves an important integrating function, binding the people to the state.

In the newly independent nation-states, all of which were poor, their economies distorted by the colonial experience, the ideology of economic development serves as an important tool for integration. In the one-party states, cadres may fill the role of "modernizing elite," communicating new ideas to the nation and making appeals for sacrifices in the struggle against underdevelopment. In some cases the party may provide an important element of flexibility to the state by serving to communicate the ideas of the people back to the government and vice versa. This strengthens the state, which may thus have a more realistic appraisal of the political boundaries for policy making.

In connection with the single party, the "national hero" has served an integrating function in African states. Although the "hero" would have difficulty surviving should he break with the party (as, for example, Messali Hadj in Algeria), he does have "drawing power" of

his son. Whatever the personal style of the hero--"flamboyant, triumphant, evangelizing" like Bourguiba or "cautious, surefooted, quiet" like Abbas in Algeria¹²--his methods are similar and functions are the same: the national hero is the symbol of the new state and its values, he legitimizes the state and "gets people to observe the requirements of the nation out of loyalty to the leader while they (or their children) learn to do it for its own sake."¹³

This discussion summarizes the ideas of a number of authors who have analyzed the role of domestic politics, particularly the role of the state, in policy formulation and choice. These ideas do not necessarily lead to concrete predictions as to what specific economic policies will be adopted by a developing country. However, it does allow one to formulate certain propositions as to the circumstances under which socialist-oriented policies may be followed and under what circumstances state policies may be reversed.

In order for the state to be able to formulate and execute policies which are contrary to the vested interests of the dominant economic class, it must be strong. In practical terms, this means that the economic elite of the country not control the government (although the literature suggests that this group ought to be

represented in the state for the long-term viability of the policies) and that the state hold the basic loyalty of the people. The latter is important to meet the challenge of Krasner's second question, regarding the state's ability to change behavior. The policy is a "rational" response to further state goals which represent the collective interest. The existence of "modernizing elite," detached for practical purposes from any economic interest group, helps to identify the goals and design the methods for obtaining them. The one-party state, if it represents a wide enough spectrum of interests but is not dominated by any one of them, is in a position to meet these conditions.

If, however, any of the conditions posited by Krasner's three questions should break down, state policy making is likely to become fragmented, reflecting no clear national goals but instead the interests of the most powerful economic interest groups (e.g., large landowners, industrialists, organized labor, etc.). The literature suggests that even if the first two conditions are met--the ability to formulate policies and goals autonomously and to persuade the people to change their behavior--the ability of even a strong state to change the basic structure of its society is questionable. As the state is increasingly successful in reaching its

goals, opposition to its policies on the part of those whose vital interests are threatened will grow and become increasingly organized.

OTHER CASES WHICH HAVE BEEN EXPLAINED IN TERMS OF DOMESTIC VARIABLES

In this section, three studies will be briefly mentioned which analyze the domestic economic policies of developing countries from this perspective: Mallon and Sourrouville on Argentina, Leff on Brazil, and Hamilton on Mexico.

Argentina is presented as an example of a weak state in relation to its society. It is seen by Mallon and Sourrouville¹⁴ as a middle-income "conflict society" fragmented by a plurality of interest groups. Under these conditions the authors expect that either negotiated "coalition policies" will result or (especially in times of crisis) a personality cult will develop. In a conflict society such as Argentina the best that can be hoped for is negotiated incrementalist policies. However, this requires a ruling coalition which is broad enough to maintain the government in power. Flexibility must be built into the policy-making system so that the contingent nature of decisions is recognized, and the policies may be readjusted when this becomes

politically expedient. Mallon and Sourrouville believe that, despite the advantages that Argentina possessed which would have suggested continued growth, its potential was not reached because "policy making was not properly adapted to the needs of a conflict society."¹⁵ Instead of institutionalizing a set of rules for macro-economic policy making, each new government had to negotiate ad hoc with its pluralistic and largely alienated constituency.

Brazil, on the other hand, is seen by Leff¹⁶ as a strong state, capable of relatively autonomous policy making. He found that "the Brazilian government has had a substantial degree of autonomy from interest groups or socioeconomic class pressures in the making of economic policy" due to a "system of patronage politics which weakened the 'objective' political forces and transferred power to the politicians and the bureaucracy."¹⁷ The fragmentation of interest-group influence in the country permitted the pervasive influence of the political elite, which shared a "modernizing nationalist ideology." This may be seen as an example of a "modernizing elite" able to gain control of the state structure. This elite is the original source of economic policies

which are not demanded by any national (or foreign) economic interest group and which may be opposed by them.

Leff cites Brazil's export policy, the main thrust of which was to de-emphasize primary products, as an "example of the political autonomy of Brazilian economic policy making . . . policy here was made in direct opposition to the interests of major private groups, the exporters and the landed elites providing primary products, in deference instead to doctrines which commanded widespread influence among the government administrators and in elite opinion."¹⁸ In Leff's opinion, lack of accurate data and well-conceived analysis (e.g., ignoring the increased demand for primary products during the 1950s) allowed the elite conceptual doctrine to continue to influence policy despite its objective harmful effects on Brazil's trade and development.

Other areas in which the government was able to control economic policy in pursuit of economic development was its emphasis on import substitution, its ability to allocate resources to projects it believed would promote development "to the neglect of 'vested interests' in industry or agriculture,"¹⁹ and to eliminate foreign capital from strategic sectors as in the creation of Petrobras. The only exception to this was in the area of agriculture, where the landed elites were able to protect

their interests and little was accomplished. But, according to Leff, this was not so much because of landed elite strength vis-a-vis the state as it was due to the unimportance of agriculture to the elite ideology of "national modernization." Where the state did choose to intervene--the coffee policy and the "surplus" export policy--it was able to do so against the interests of landowners and planters.

Mexico presents a case similar to Tunisia in that after a period in which equality issues and economic independence was emphasized, the state reversed its economic policy orientation to favor domestic and foreign capitalist interest. According to Hamilton, during the Cardenas administration the government was able to implement policies which appear contradictory for a state functioning as part of the world capitalist system. For example, it was able to take steps towards the elimination of privileges of foreign monopolies and domestic elites, defending the interests of subordinate classes and groups, asserting national control over Mexican territory and resources (including the expropriation of British and U.S. petroleum companies), distributing land to the peasants, and forming collectivized farms on commercial estates. The strong interventionist Mexican state also challenged the emerging industrial class by

encouraging the organization of labor, finally incorporating the labor unions into the government party structure.

This policy orientation was then reversed initiating an era "during which the Mexican state cooperated with private domestic groups and foreign interests to promote rapid economic development, involving the relative neglect or open repression of subordinate groups. In the thirty years following the Cardenas administration, Mexico was characterized by one of the highest sustained growth rates in the world, coexisting with increasingly high levels of unemployment and underemployment and the impoverishment of the majority of the population."²⁰

Hamilton explains the Cardenas policies in terms of the Mexican state's relative autonomy:

It is particularly in periods of transition, when no one mode of production is dominant or none of the contending classes is able to assert its hegemony, that the state, sometimes referred to as the Bonapartist or Caesarist state, may act with relative autonomy determining the future of the social formation.²¹

State autonomy was facilitated by three sets of conditions present during the Cardenas period: the weakening of the national bourgeoisie and international capitalism (due respectively to the Mexican Revolution and the depression); the "progressive" alliance between

the state subordinate groups and classes as a means of confronting the dominant class; and the degree of unity and cohesion within the state itself (due to the ability of the Cardenas faction to obtain dominance.) Thus, the state, or progressive factions controlling the state, were able to carry out a (limited) "revolution from above."

Hamilton concludes, however, that lasting structural change cannot be guaranteed by the state alone. As long as the class structure remains unaltered, the dominant class poses a potential threat to the reforms. If the progressive alliance between the state and subordinate classes is weakened, especially when state action threatens to go beyond the constraints of the existing socioeconomic structure, the dominant class will reassert its control over the state apparatus.

Thus state autonomy was ultimately limited by three factors: the fact that increasing state intervention to challenge existing structures will result in increased opposition by the dominant class itself; the relationship of certain factions within the state apparatus with the dominant class; and the internal contradictions of the state's alliance with the subordinate classes (i.e., whose goals are not ultimately structurally limited as are those of the state).

THE TUNISIAN CASE

Events suggest that domestic politics in general, and the strength of the state in particular, did play an important role in the shift to socialist-style policies in Tunisia at the beginning of the 1960s and again in the shift back to policies favoring private capitalism in 1969. The Entelis study cited in the first chapter, identifies two patterns of rule and economic development strategy which have alternated in Tunisia since independence: "reconciliation" and "mobilization."

A reconciliation system is one which adopts the methods of mediation between conflicting interest, balancing contradictory proposals and persuading opposing groups to act in harmony in order to achieve development. A mobilization system, on the other hand, uses the techniques of mass mobilization, propaganda, coercion, and sophisticated organization to achieve the goals of political and socioeconomic development.²²

These political systems correspond to the presence of a weak or strong state. A state which is weak will by definition be a reconciliatory "vested-interest-oriented" system.²³ A strong state, capable of forming goals and policies autonomously from vested interest, is more likely to adopt the mobilization orientation to implement its policies. In Tunisia during the early liberal, laissez-faire period the state functioned in a

reconciliatory fashion until it had sufficiently strengthened and consolidated its position. This period lasted from independence until approximately 1961.

The state moved from reconciliation to mobilization as it first attempted to use its power in the economic realm and create support for the new orientation among the general population. From 1964 until the end of the socialist experiment what appeared to be a strong Tunisian state operated in a full-fledged mobilization mode to achieve its vision of economic development. That is, the government enacted steps to mobilize, although ultimately it was unable to gain support of the rural masses. However, opposition grew from elite interest groups (particularly the large landowners) which had until then been effectively excluded from the decision-making process, as the policies threatened to radically alter the existing structure of the economy. These external pressures became strong enough to endanger the state itself which, therefore weakened, reverted to a reconciliation system.

Circumstances similar to those identified by Hamilton as variable for the formulation of state policy independent of the dominant class had developed in Tunisia prior to the first shift; i.e., the country was in

a transitional phase, at which time the traditional elite found itself weakened, and a "modernizing elite," seemingly divorced from elite interests came to assume control of the state apparatus. The colonial system tended to weaken the economic bases of the traditional bourgeoisie. This facilitated the eventual takeover of the nationalist movement by elements of the middle class. "The position of this traditional "bourgeois" elite at the heart of the Tunisian nationalist movement was undermined by the growth, after World War I, of the proletariat and the middle class. By developing industries and mechanizing the colonists' farms, the colonial system created a proletariat separated from its traditional framework and thus receptive to nationalist sentiments The emergence of a middle class was one of the growth of the third sector of the economy in urban centers and of reconsolidation of small landed properties in village communities in the Sahel and in the oases of the South."²⁴

The new nationalist leadership consisted of an intelligentsia of middle-class origins-- the product of the "unlimited encouragement . . . [which] . . . the Sahelian middle class gave their children to attend the new schools. The colonial system reaped the harvest of its actions--the

formation in the 1930s of an intelligentsia bent on destroying the colonial system"²⁵ This new elite group, more attuned to the needs and wants of its own strong ties to the then small-property holders of the Sahel, not only took control of the Destour party (as demonstrated in the 1934 congress) but after independence remained firmly in the leadership position. "At the moment of independence, the Neo-Destourian Party controlled the country not by armed force, as in Algeria, nor by the former "caids" (traditional local rulers), as in Morocco, but by a broad coalition forged from the urban and peasant middle class, the working class, and the youth."²⁶ This coalition was headed and held together by Bourguiba, the "Supreme Combatant."

Yet Bourguiba's coalition, broad as it appeared to be, still did not make up a majority of the population. Left out were the traditional middle classes and the largest part of the peasantry. The challenge from the traditionalists, headed by Ben Youssef was the first serious threat to the regime, as discussed below. However, this power struggle ended with the traditionalists effectively isolated from any influence, and the modernist intellectuals firmly, or so it appeared, in charge.

The activists for genuine economic development and equity measures came from within this "modernist intelligentsia." Of course, not all of that latter group was in favor of the changes in policies. Since independence, as expected by this analysis, economic interests tied to the status quo had developed and solidified. Many of the "modernists" elements were content to see the reforms extend only to social issues, and the "modernist elite" was split into conservative and radical factions. Yet, at a certain point in time, the reformers were able to put their policies into action without too much resistance from other elements of the ruling coalition. It is interesting to note that the "activists" were in general a generation younger than the original members of the ruling elite.

The appointment of Ahmed Ben Salah to head the newly created department for centralized economic planning may be seen as the ultimate signal that the modernist intellectual reformers had come to the foreground. As explained earlier, from the early years of independence, Ben Salah had been the leading advocate for socialist economic development policies; furthermore, his French university training and middle-class background placed Ben Salah within this new, younger elite. In

addition, Ben Salah had the support of the trade union movement behind his policies. At that time the trade union was still a powerful political force in Tunisia, and an important potential tool for the mobilization of the country.

In Tunisia, the government apparatus and the party are closely intertwined. As the reformist-minded "modernist intellectuals" came to predominate in the government, their position on issues of social and economic policy naturally became the official position of the Destourian party. Indeed, as the government became increasingly involved in economic planning, the success of which depended on public support, a new impetus was given to the party's role as the mobilizer of the masses and as the vehicle through which the masses and their leaders could communicate.²⁷ To anticipate the argument, it is important to note that the failure of the party to successfully perform this mobilizing function has been offered as a contributing reason for the eventual reversal of the socialist policies in Tunisia, as in other countries.

The process of consolidating state power in Tunisia has primarily meant consolidating Bourguiba's power, as may be observed in both reconciliatory phases

before and after the socialist experiment. Bourguiba is a prime example of what Wallerstein meant by "national hero." At least for the generation which lived through Tunisia's struggle for independence, Bourguiba was the "Supreme Combatant," who inspired loyalty to the party and government through loyalty to his person. His power over the state has been (until recently) an undisputed fact. There is no doubt that he makes the final decision over government policies, although periods of illness (which have been real) throughout his long tenure have been used to explain his being "unaware" of what his lieutenants were doing when certain policies were found to be politically untenable. This was the case when the cooperative program was dismantled. The tactic was also adopted after Masmoudi negotiated the short-lived unity agreement with Qadhaffi's Libya in 1974. Wallerstein expects this tactic to be used to preserve the image of the national hero; his associates "serve as sources of information for the hero and scapegoats for blame."²⁸

During the period under study, Bourguiba may be seen as the most important variable affecting the strength of the state. The results, however, are contradictory. Bourguiba has been the state's primary source of strength, but also its greatest weakness. More important even than the support his personal popularity

provided to the state, he was most instrumental in establishing the Neo-Destour's complete control over the government. This was accomplished by effectively neutralizing all competing sources of political influence which could have seriously compromised the state's autonomy. These interest groups were either eliminated entirely, as with the Ben Youssef challenge from the right, or coopted into the party framework.

The heirarchical authoritarian cast of the government was established very early, in large part as a reaction to the Ben Youssef crisis but also due to Bourguiba's style of leadership. The pattern of decision-making was also established at this time: a consensus is to be reached on matters of policy before they are presented for formal debate, so that all decisions are seemingly unanimous.

The symbiosis between party and government are evident in their parallel structures and overlapping personnel, from the apex of power (Bourguiba being the head of both party and government) to the local level.²⁹ This facilitated the state's ability to directly implement its policies at all levels of government, although its inability to accommodate feedback from the base of the pyramid was a major weakness of the system. Thus, regarding the agricultural policies Hermassi surmises:

The reform had been handed down from above by the power elite and was never the object of a power struggle in which those who would be the beneficiaries could later appreciate its value and its cost. Also, at no time were the organizers able to arouse the enthusiasm of the rural masses, which were indispensable to the formula's success. Although the coopérateurs were represented on the administrative records, in reality, the Unités were managed through the state hierarchy of organizations and technicians.³⁰

However, the reality of Bourguiba's final say over state policy has always been the Achille's heel of the Tunisian state. Most of the literature on Tunisia does not question Bourguiba's roles as the single most important influence upon state policy in all areas. Although the degree of influence of other persons or factions was somewhat obfuscated by the workings of one-party politics, there is little doubt that Bourguiba makes the final decisions.³¹ Most analysts agree that in the long term the personality cult created by Bourguiba will (and has) seriously weakened the state by hampering its ability to articulate and aggregate interests and to develop a legitimate successor to the Bourguiba regime. Both the positive and negative effects of personality politics upon the autonomy of the state is pertinent to an analysis of the shifts in economic policy.

During the early years of independence, no measures were taken in the economic realm which might have

aroused the opposition of powerful vested interests in the country. Rather, state policy focused on social reforms which, it was later claimed, prepared the way for economic development efforts. Those reforms helped to passify the modernizing elements in the party while eliminating certain vulnerable but potentially troublesome interests:

An attack on traditionalism was thus a safe proposition as well as a way of reducing the position of those who had often collaborated with the French, or been supported of the Old Destour. At the same time, [Bourguiba's] attack consolidated the new values of nationalism and "democracy" by weakening the set of values that had kept the traditional society together and had justified acceptance of foreign domination.³²

During this period the state's overriding concern was to promote national unity. The party and the nation emerged from the independence struggle severely divided over the Ben Youssef affair.³³ Salah Ben Youssef, Secretary-General of the Neo-Destour Party, had led the nationalist movement on the domestic front during the years that Bourguiba was in prison in France. He contested the latter's gradualist approach with the French, in particular the conventions of 1955 which proclaimed the internal autonomy of Tunisia but not full independence. The Youssefist threat (and its successor neo-Youssefism, which came to mean radical pan-Arabism and anti-Westernism) "constituted the most severe direct

political and military domestic challenge confronting Bourguiba and the Neo-Destour."³⁴ However, with the crucial support of the General Union of Tunisian Workers, Bourguiba was able to unify the party around his position and, in October 1955, Ben Youssef was expelled from the party. The Fifth Party Congress confirmed the expulsion and reelected Bourguiba as president of the party.

The Neo-Destour Party established its singular control over the state, while Bourguiba established his dominance over the party. National organizations which had been created during the struggle for national liberation were now subordinated. These organizations, including the General Union of Tunisian Agricultural Farmers, the Tunisian Union of Shopkeepers and Artisans, and the General Union of Tunisian Students had served the party in the nationalist movement.

After independence threatened to become free-wheeling pressure groups rivaling the supremacy of the party. The organized workers under Ben Salah might have accelerated nationalization and social revolution--or fought with a greater militancy for higher wages. The business interests, backed by the Masmoudi clan, might have blocked the party's acceptance of "socialism" and economic planning. The farmers, in theory representing three fourths of the Tunisian population, might have teamed up with dissatisfied traditionalists to defend private property from public encroachment.³⁵

Of these organizations, the one which posed the most serious challenge to the party's monopoly on political power was the General Union of Tunisian Workers. The labor union had roots which antedated the Destour Party, and might have conceivably formed the bases of a rival party.³⁶ In contrast to the Neo-Destour, it had emerged from the independence struggle united and solid. After 1956 Ben Salah, who had become Secretary General of the General Union of Tunisian Workers in 1954, began pressing more openly for policies favoring the working class. He called for strong measures to curb inflation, strict monetary controls, public debate on the national budget, and policies to eliminate French dominance of the economy. The General Union of Tunisian Workers at this time expanded its organizational activities with the workers, and this increased activity threatened to surpass that of the Neo-Destour.

This agitation came to a head at the Sixth Congress³⁷ which endorsed Ben Salah's proposal for massive development and social reform. At the heart of the proposal was "the establishment of a powerful planning agency and a variety of new controls on the economy. The report was pointedly addressed to those who 'distrust improvisation' and wish to 'regard the future lucidly.'"

Bourguiba's government was openly charged with finding "endless pretexts to put off the moment when it might consecrate itself. . . ." ³⁸

The policies demanded by the General Union of Tunisian Workers were similar to those later advocated by the government, i.e., the "promotion of man," a guaranteed minimum wage of 50 dinars, industrialization, agricultural reform, economic integration with the greater Maghreb, redistribution of revenues, and reinforcement of independence. ³⁹ The planning agency envisaged in the union's report was almost identical to the organization created for Ben Salah five years later. But at the time Bourguiba was unwilling to create an office which might rival his own before even that of the Bey had been eliminated. Furthermore, landowner opposition was aroused by the union's proposals, creating an internal crisis which the government, in the process of consolidating its position, could hardly afford. Thus "in October Bourguiba took their part in the famous speech of Melassine." ⁴⁰ In order to preserve party unity, Bourguiba created a rival labor union, (the Union des Travailleurs Tunisiens) headed by Habid Achour which narrowed its focus to the issue of workers' benefits. In the meantime, Ben Salah was forced out of his position as head of the General Union of Tunisian Workers and replaced

by Ahmed Tlili, "who shared Bourguiba's vision of a liberal, reformist system of social and economic change."⁴¹ The trade union was then reunited, in May 1957, but with its influence greatly reduced and subordinated to the Neo-Destour Party.

Still, Ben Salah's program remained a challenge to the regime whose economic policies, objectively, were not producing satisfactory results. The trade union continued to press--if in a more muted form--for faster economic development. The result was that the regime, in effect, "confiscated"⁴² for its own the program which it had categorically rejected only a few years earlier. However:

Without minimizing the increasing economic pressures on Tunisia, and her increasing disillusionment with France, it is important to note the strength of Bourguiba's position before he was prepared to make the planning decision in early 1961. A little over one year before, he emerged virtually unchallenged in national elections. The party had been organized as he wished, using provincial and regional officers, selected by the central headquarters. The problem had been raised, at least with the party's most important auxiliary national organizations. The president had put off the final decision for three years, but he had used those years to make the public realize the importance of the economic battle and to ensure the support of the major organizations.⁴³

After the decision was made, Bourguiba took the unprecedented step of risking his personal prestige by giving his unqualified support to Ben Salah and his

policies. A speech given on March 12, 1962, underscores this point. On that occasion he stated: "I personally claim responsibility for the Plan and control its application. Nothing in this field is done without my consent." Bourguiba later denied that he knew what Ben Salah was doing, but at the time he gave a series of speeches such as this. The mobilization effort in Tunisia was considerable. In addition to Bourguiba's speeches explaining the benefits of planning and exhorting the people to cooperate, leaders from the Neo-Destour were sent into the countryside to promote the state's policies. "The extensive program of indoctrination and persuasion was an impressive display of how the single-party system can attack a difficult problem at all levels and with endless resources."⁴⁴

Ben Salah himself made numerous trips to the agricultural cooperatives to meet with the workers, yet did not learn of significant complaints against the policies. This illustrates the inadequacies of the hierarchical pattern of decision-making in the one-party state which did not allow for any meaningful feedback from the lower ranks. It is likely that Ben Salah was not given accurate information on the performance of the cooperatives by cadres in the field who told him what they thought he wanted to hear.⁴⁵ The opposition of the

peasantry therefore came as a surprise to the policy makers, Ben Salah in particular, as he expressed during the trials.⁴⁶

As described by Hermassi above, the state was unable to win the loyalty of the peasants to the agricultural cooperatives despite its massive mobilization effort. Nor was it able to permanently convert them to more modern farming methods. It was also unable to obtain the fundamental acceptance of commercial sector, as shown by the eventual disintegration of most of the cooperatives in that sector. In this sense the state was not strong enough to permanently change the behavior of these groups. However, it must be acknowledged that the cooperative programs did not have much time to do so. In the short run, the state certainly demonstrated its ability to change behavior by creating the cooperatives, which were not abandoned by these groups until after the state reversed its policies. Although almost no one claims that the peasantry was in favor of the policies, neither they nor the commercial class was directly responsible for the reversal.

The domestic interest group which appears to have had the decisive role was the large Tunisian landowners. Until the acceleration of the cooperative system in 1969, state policy had scrupulously avoided damaging the vital

interests of this class, which constituted the historical bases of the Neo-Destour Party. The decision to directly challenge this powerful group was not taken in the usual single-party context of establishing at least superficial unanimity. Rather, it appears to have been a personal decision, either on the part of Ben Salah or of Bourguiba, taken largely for political reasons. Most of the literature assumes that the decision to accelerate the cooperative program was Ben Salah's, and that he did this partly in reaction to the president's ill health⁴⁷ which might have foretold the end of the Bourguiba regime and so of Ben Salah's own power. Furthermore, Ben Salah used to claim that structural change could only be accomplished in Tunisia with the support of Bourguiba. Therefore, according to this hypothesis, fearing Bourguiba's demise Ben Salah tried to push through the reforms he envisioned as quickly as possible.⁴⁸ Another hypothesis is that "faced with severe practical problems in the cooperatives, and with manifest opposition from the peasantry and from the bourgeoisie Ben Salah decided to play for higher stakes, extending the cooperative system throughout agriculture, rather than slow down the implementation of his policies. But, in doing so, he lost the indispensable support of the president."⁴⁹

However, given the pattern of decision making in Tunisia, it seems likely that the decision to accelerate the cooperative program was actually Bourguiba's, as Ben Salah claims.⁵⁰ Ben Salah stated publicly that the cooperatives were good for the system, but that they must be introduced gradually. Bourguiba, however, told Ben Salah that he wanted the agricultural cooperative system in place by the end of the year (1969) so that in the following year all energies could be devoted to industrialization. This meant that whereas only 300 cooperatives had been created in seven years, Bourguiba wanted to establish 3,000 in only a few months. Thus, in response to the president's position, Ben Salah attempted to submit a law which would have slowed the process by requiring that a study be done prior to the creation of the new cooperatives.⁵¹ The law, however, never came into being and the acceleration proceeded with disastrous effects for the program. The result of this precipitous expansion of the cooperative system to all agricultural land was predictable, and it is difficult to believe that Bourguiba was unaware of this. This is especially so given his close ties to members of the landed class. Therefore, it is at least plausible that Bourguiba made the decision to accelerate, or allowed

Ben Salah to make that decision, with a view to destroying the program and discrediting his powerful Minister of Planning.

The decision to reject most of the socialist-oriented policies and return to an economic policy orientation which self-consciously sought to protect the interests of domestic and international capitalism suggests that in the final analysis the state was not strong enough to stand up to these interest groups. It has already been suggested that the near-total power of President Bourguiba to make the final decisions over state policies was a weak link in the strength of the Tunisian state. Ashford notes that Bourguiba "is distinguished in the annals of one-party rule by having reversed himself on nearly every national issue, from Nasser to socialism"⁵²

Bourguiba's basic lack of interest in economics and the details of planning have been noted by more than one analyst, as has been his extraordinary ability as a politician. It seems reasonable to conclude, therefore, that the president was less concerned with economic policy than he was in maintaining his own power. This being the case, three factors emerge as important in changing the president's mind. The first, and probably least important was Bourguiba's awareness of a presumed decline in

his popularity among the people, as mentioned above.⁵³ The second was the ability of the wealthy land-owning class to influence the president through representatives of that group which comprised part of the circle closest to him. This group, it is claimed, was led by the president's wife who came from a powerful landed family. Finally, Bourguiba himself was worried about the power that Ben Salah had obtained.⁵⁴ although it seems obvious now that this power had been given and was taken away largely at the president's pleasure.

There are other indications that the Tunisian state was not as strong nor as unified as it might have appeared. First, economic policy was formulated independently from policy in other areas, particularly foreign policy. Ben Salah was given the responsibility for economic policy, but he had no control over overall policy which remained firmly in the president's domain and which created the context within which he had to operate. For example, Ben Salah was not consulted about the Bizerte crisis, which compromised the beginnings of the Plan. Furthermore, he was forbidden to enter Tunisia into any negotiations for integrating its development more closely with that of the greater Maghreb, which was to have been an important aspect of the strategy.

Ben Salah was not even informed of the decision to nationalize all foreign-held lands on May 12, 1964, which he heard about on the radio. This decision had particularly important economic ramifications, since only eight days before Ben Salah had negotiated an agreement on foreign aid with the French Minister of Finance, who did not believe Ben Salah's ignorance of the decision to nationalize, and who took it as a sign of bad faith. Despite the fact that he had nothing to do with this decision:

Nevertheless, it was Ben Salah, Minister of the Plan, who had to deal with the consequences of this decision: the cancellation of French aid and the necessity of turning to American aid without pretense, for lack of an alternative; the retreat of French agricultural cooperators; a general atmosphere of tension hardly favorable to the success of planning, etc. . . .⁵⁵

In the area of domestic policy, Ben Salah had no control over regional political appointments, so that "resistance to his policies could, therefore, retain support in the state apparatus and in the rural sections of the party."⁵⁶

Furthermore, the monetary system escaped him entirely. Nourira, the president of the Central Bank, was hostile to the Minister of Plan. "Out of concern for orthodox monetary principles inspired by liberal traditions . . . the policy [of the Bank] was never really coordinated with the planification of the economy."⁵⁷

Ben Salah undoubtedly made some serious mistakes in the application of the cooperative program, notably in failing to create a genuine dialog with the peasantry or even with the progressive liberals who might have been his natural allies in the bureaucracy. However, it appears that the Tunisian state would have been ultimately vulnerable to powerful economic interest groups in the country (including foreign interests) no matter who was leading the reforms. The fact that the Bourguiba also functioned as a political "interest group" served to accelerate the process. The interests of the wealthy landholders, in particular, in preserving existing economic structures and that of the governing regime in preserving the political status quo coincided to put an end to Tunisia's experiment with "socialism."

NOTES

¹James E. Dougherty and Robert L. Pfaltzraff. Contending Theories of International Relations. J. B. Lippincott Company, Philadelphia, 1971, p. 314.

²See Charles W. Anderson. "The Place of Principles in Policy Analysis." American Political Science Review, Volume 73 (September 1979): 711-723, for a discussion of standards and criteria for policy evaluation.

³Peter Gourevitch. "The Second Image Reversed: The International Sources of Domestic Politics. International Organization, Volume 32, No. 4 (Autumn 1978): 881.

⁴Alexander L. George. "Case Studies and Theory Development: The Method of Structured, Focused Comparison" in Lauren, Paul Gorden, ed. Diplomacy: New Approaches in History, Theory, and Policy. Free Press, New York, 1979, pp. 46-47.

⁵Steven D. Krasner. "United States Commercial and Monetary Policy: Unraveling the Paradox of External Strength and Internal Weakness," in Katzenstein, Peter J., ed. Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States. The University of Wisconsin Press, 1978, pp. 51-87.

⁶Ibid., p. 60.

⁷Nora Hamilton. The limits of State Autonomy: Post Revolutionary Mexico. Princeton University Press, Princeton, New Jersey, 1982, p. 23.

⁸Ibid. , p. 23.

⁹Theda Skocpal and Ellen Kay Trimberger. "Revolutions and the World-Historical Development of Capitalism," in Kaplan, Barbara H., ed. Social Change in the Capitalist World Economy. Sage, Beverly Hills, 1978, p. 129.

¹⁰Immanuel Wallerstein. Africa: The Politics of Interdependence. Vintage Books, New York, 1961, p. 87.

¹¹Ibid., p. 95.

¹²Ibid., p. 98.

¹³Ibid., p. 99.

¹⁴Richard D. Mallon and Juan V. Sourrouville. Economic Policymaking in a Conflict Society: The Argentine Case. Harvard University Press, Cambridge, Massachusetts, 1975.

¹⁵Ibid., p. 154.

¹⁶Nathaniel H. Leff. Economic Policymaking and Development in Brazil: 1947-1964. John Wiley and Sons, Inc., New York, 1968.

¹⁷Ibid., p. 4.

¹⁸Ibid., p. 77.

¹⁹Ibid., p. 58.

²⁰Hamilton. Op. cit., p. 4.

²¹Ibid., p. 6.

²²John P. Entelis. Comparative Politics of North Africa: Algeria, Morocco, and Tunisia. Syracuse University Press, Syracuse, New York, 1980, p. 125.

²³Lars Rudebeck. "Developmental Pressure and Political Limits: A Tunisian Example." Journal of Modern African Studies, Volume 8, No. 2 (1970): 176.

²⁴Abdelkadder Zghal. "The Reactivization of Tradition in a Post-Traditional Society." Daedalus, Volume 7 (1973): 226.

²⁵Ibid., p. 228.

²⁶Ibid.

²⁷Harold D. Nelson. Tunisia: A Country Study. American University, Washington, D.C., 1978, p. 198.

²⁸Wallerstein, 1961, op. cit., p. 101.

²⁹Also, see Chapter I. "Economic Policy from 1961-1969."

³⁰Elbaki Hermassi. Leadership and Development in North Africa. University of California Press, Berkeley, 1972, p. 187.

³¹This statement is less true at the present time as rumors of the aged president's ill health spread. Many observers believe that the circle of Bourguiba intimates have become the real authority in the country.

³²Charles A. Micaud. "Leadership and Development: The Case of Tunisia." Comparative Politics, Volume 1, No. 4 (July 1969): 474.

³³For the most recent in-depth study of the Ben Youssef challenge, see Mohamed Sayah. Le Nouvel État: Aux Prises Avec le complot Youssefiste 1956-1958, Volumes 1, 2, 3. Dar el Amal, Tunis, 1982-1983.

³⁴Entelis. Op. cit., p. 131.

³⁵Clement H. Moore. Tunisia Since Independence: The Dynamics of One-Party Government. University of California Press, Berkeley and Los Angeles, 1965, p. 160.

³⁶Ben Salah denies that this was ever the intention. Perhaps because of the fear of divisiveness created by the Ben Youssef crisis, he claims, Ben Salah and others who shared his ideas wanted to avoid a split. Interview, February 15, 1984.

³⁷See Union Generale des Travailleurs Tunisiens. Rapport Économique, Sixth Congress. Tunis, September 1956.

³⁸Douglas E. Ashford. National Development and Reform: Political Participation in Morocco, Tunisia, and Pakistan. Princeton University Press, Princeton, New Jersey, 1967, p. 147. He is quoting the General Union of Tunisian Workers report.

³⁹"Ben Salah et le Développement Tunisien: 1961-1969," Esprit, No. 11, November 1970, p. 806.

⁴⁰ Ibid., p. 807. (My translation.)

⁴¹ Entelis. Op. cit., p. 132.

⁴² Douglas E. Ashford. "Neo-Destour Leadership and the 'Confiscated Revolution.'" World Politics, Volume 17 (January 1965): 215-231.

⁴³ _____, 1967. Op. cit., p. 149.

⁴⁴ _____. Morocco-Tunisia. Politics and Planning. Syracuse University Press, Syracuse, New York, 1965, p. 40.

⁴⁵ Interview with Mr. Salah Mahjoub, Rural Development, United States Agency for International Development, November 16, 1983. Mr. Mahjoub was a private contractor involved with water wells in Gabes during the period under study, and personally witnessed the unrest against the new planning policies. He contends that this information did not get to the president, nor to Ben Salah, whose own people lied to him about how the plan and the cooperatives were working. For example, Mr. Mahjoub observed that when Ben Salah was scheduled to arrive, the cadres would put water into dry wells so that he would believe they were functioning.

⁴⁶ It has been suggested that the hostility encountered by the president (e.g., during parades), used to the adulation of the crowd, was a contributing factor to his decision to reverse himself and denounce the reforms. Interview with a Tunisian professor who chooses to remain anonymous, June 6, 1985.

⁴⁷ Bourguiba suffered his first heart attack in March 1967.

⁴⁸ Anonymous interview, June 6, 1984. Op. cit.

⁴⁹ Wilfrid A. Knapp. North-West Africa: A Political and Economic Survey. 3rd. edition. Oxford University Press, Oxford, 1977, p. 375.

⁵⁰ Interview with Ahmed Ben Salah, February 14, 1984.

⁵¹ As told by Ahmed Ben Salah. Interview, February 14, 1984.

⁵²Ashford, 1965. Op. cit., 215.

⁵³Ben Salah also believes that Bourguiba felt a change in the way that the people regarded him, although he naturally did not attribute this to opposition to the policies but to the change in the people themselves due to a new measure of economic dignity acquired because of the policies. From interview, February 15, 1984.

⁵⁴Ben Salah asserts that Bourguiba, Jr. (the president's son by his first wife) believed that Bourguiba's fear of Ben Salah's power was the reason for the whole affair. After the reversal, Bourguiba, Jr., who tried to maintain his friendship with Ben Salah despite the events, came to Ben Salah and told him that his father had told him that he must succeed in organizing a coup d'état blanc. Ben Salah asked what was the reason, and Bourguiba, Jr., replied that it was because Bourguiba felt that there were two heads of state in Tunisia. Interview, February 16, 1984.

⁵⁵"Ben Salah et le Développement Tunisien: 1961-1969." Esprit. Op. cit., p. 811. (My translation.)

⁵⁶Knapp, 1977. Op. cit., p. 374.

⁵⁷"Ben Salah et le Développement Tunisien: 1961-1969." Esprit. Op. cit., p. 811. (My translation.)

CHAPTER III

THE INFLUENCE OF INTERNATIONAL POLITICS

INTERNATIONAL EXPLANATIONS FOR DOMESTIC BEHAVIOR

This chapter looks at some of the "international sources of domestic politics."¹ Although the literature offers a variety of possibilities and interpretations of such sources, for the purposes of this study it is necessary to narrow the definition of an "International politics" explanation. Thus the body of theory examined in this chapter reflects the traditional area of interest for scholars of international relations, where the most important actors are the nation-states, and the phenomena to be studied are the political relations among them. Whereas the theories examined in the next chapter assumed that economic motivations are the most important force in international relations, an "international politics" explanation, as defined in this chapter, focuses on the drive to acquire and maintain power as the most important motivating force behind state actions. "Power may comprise anything that establishes and maintains the control of man over man. Thus power covers all social relationships which serve that end, from

physical violence to the most subtle psychological ties by which one mind controls another."² It is also the ability to rebuff control and influence by others. In international politics, power is often measured by the realpolitik criteria of military and geopolitical strength.

Insofar as power means the ability to influence the behavior of other actors in the system, power will also have economic components, and so states will, when necessary, act to protect important economic interests. However, these are of secondary importance. According to this conceptualization of international relations, states seek to obtain the strongest possible position in the hierarchy of the international system. This "realist" framework contrasts to "utopian" or "idealist" theories of international relations which are essentially prescriptive in nature, emphasizing the harmony of interests among states and legalistic solutions to world order.

Any "international politics" theory of international relations would be highly critical of the world systems/dependencia analysis used in the next chapter, because of the common view that all such relations cannot be explained by economic interest alone. Schumpeter, an

economist, believed that Marxist (and this criticism may be extended to neo-Marxist) analysis tends towards tautological explanations:

France conquered Algeria, Tunisia, and Morocco; and Italy conquered Abyssinia, by military force without there being any significant capitalist interest for it. . . . If that should not look very Marxist, it will be replied that action was taken under pressure of potential or anticipated capitalist interests or that in the last analysis some capitalist interest or objective "must" have been at the bottom of it. And we can then hunt for corroboratory evidence that will never be entirely lacking, since by, and taken advantage of, any situation whatsoever. Evidently it is preconceived conviction and nothing else that keeps us at a task as disparate as this. . . . And we really need not take the trouble; we might just as well say that "it must be so" and leave it at that.³

The fundamental reason behind the quest for power among nations is the necessity of assuring the security of the state (its physical territory, political integrity, and cultural identity), although the drive to acquire power can and often does take on a life of its own, becoming an end in itself. These propositions are assumed to hold true even when confronted by phenomena such as "transnationalism" and supranational ideologies. Traditional power explanations see these forces as potential instruments of state policy or, in the hands of others, threats to the integrity (i.e., the power position) of the state, which will react accordingly. Other, more recent theoretical perspectives look to these forces

as explanatory variables in and of themselves. Interdependence theory, and its predecessor functionalism, are notable examples of attempts to explain international events within the framework of "international politics," while rejecting the concepts of states as unitary actors and the drive for power as the most important variable in international relations.

It is an unfair simplification of the power theories to conclude that they explain all purely domestic events in terms of international politics. It is not unreasonable to assume that among those adhering to this view of international relations some might extrapolate the theory to a rather Machiavellian world of domestic politics where persons or coalitions struggle to gain power vis-a-vis other domestic actors, and so domestic policies will reflect the dominant regime's efforts to retain its position in that society. The concepts are similar, but on a vastly different scale which changes them qualitatively. This argument is deliberately ignored here as it pertains to the group of theories examined in the next chapter, loosely grouped as "domestic politics." Instead, the point to be made in this chapter is not that each and every government decision and action is determined by international power considerations;

however, those actions which are obviously irrelevant to these concerns are also deemed irrelevant for study by international relation scholars.

Thus it may appear that the "socialist experiment" in Tunisia is an unlikely subject for an international relations study, especially as viewed by this most traditional branch of the school. Few international relations scholars have turned their attention to shifts in the domestic policies of states. Even the international political economists, in their case studies, look primarily at foreign economic policy. Yet the most interesting, and certainly the most visible and qualitatively distinct, aspect of the Tunisian economic policies were in the domestic realm. Indeed, it may be argued that the Tunisian foreign economic policies were predominately of a quantitative nature, reflecting greater and then lesser (and then greater) openness to the international economy, but never closing entirely nor drastically altering the structure of its relationships. For example, during the socialist phase the country did attempt to diversify its trade partners, but still primarily among the European nations. The traditional "international politics" paradigm finds it difficult to deal with decisions which take place and are implemented within the "black box" of the state.

However, the events in Tunisia are of interest to traditional international relations studies for at least two reasons. First, the new policies, especially in the case of the first shift, were not represented by the Tunisian government as marginal reforms, but as attempts to fundamentally change the structure of the economy. It seems logical that such a change, if successfully implemented, will to some degree have an effect on the country's foreign relations. These events took place during the height of the Cold War, in which the rival superpowers sought to convince the rest of the world that their respective economic model was the one to be followed. Thus their spheres of influence appeared, at least, to be defined in such ideological terms.

Secondly, the Tunisian case was not entirely unique. Although clearly many aspects of how the events unfolded were specific to Tunisia, the adoption of "socialism," or socialist-style policies, was part of a trend among many African and Arab states. While many of the governments were far more radical than Tunisia's, it is interesting to note that even as conservative a regime as that of Morocco was impelled to adopt economic planning. Therefore, while it is true that the two-policy shifts in Tunisia were primarily domestic in nature, and although one must question to what extent it is

legitimate to view the domestic policy of any state solely in terms of the global goals of power politics, the job of this chapter is to discover to what extent these particular policies were the result of international political considerations.

Within this body of literature there are some fundamental cleavages, the most important of which is between those who look to regional (multipolar or "systemic") factors. The bipolar perspective represented, unsurprisingly, the mainstream of Western thinking during the post-World War II era up until at least the middle of the 1960s. Hans Morgenthau, perhaps the greatest of the realist theoreticians, ascribed to this perspective:

The configuration into which the political world congealed in the aftermath of the Second World War was relatively simple and fairly easily managed. There were two power blocks, defined in ideological terms and rigidly grouped around two superpowers, which restrained each other through the mutual threat of atomic destruction; these groupings competed rather harmlessly and ineffectually for the allegiance of the nations of the so-called Third World--that is, those who had not joined one or the other of the power blocs. The main issue that pitted the two power blocs against each other was the territorial settlement of the Second World War, especially in Central Europe; and it was from that unresolved issue that the Cold War arose.⁴

THE BIPOLAR MODEL OF INTERNATIONAL RELATIONS

SUMMARY OF THE BIPOLAR VIEW OF INTERNATIONAL RELATIONS

The bipolar model is above all a framework for viewing world politics. It is not actually a theory of international relations as it purports to describe a reality which has only emerged in recent times, although those adopting this model often explain, predict, and advocate policies based on some form of the balance-of-power theories (themselves developed to explain events in pre-World War II Europe). This view of the world became predominant during the 1950s and early 1960s in light of the new, seemingly overwhelming realities of the era: the possession of the atomic weapon by both superpowers, the unmatched strength of the U.S. economy (in contrast to the war-shattered economies of Europe,) the spectre of the Red Army in Europe, and the foreign policies of both countries which reinforced and were reinforced by the bipolar optic. Given the undeniably enormous disparity in levels of power between the Great Powers and the rest of the world, it was perhaps inevitable that the study of international relations should adopt the bipolar model as its primary frame of reference, at least among Western scholars.

The bipolar model presumes that the weak country will either become allied with one of the superpowers in

order to strengthen its own position, and so it will formulate its policies according to its perception of what the more powerful state wants, or it is so weak that it is unable to prevent direct interference in its policy formulation. In its extreme form, the bipolar model views all state behavior everywhere in terms of the U.S.-Soviet rivalry, i.e., the behavior indicating that a state has fallen, or is in danger of falling into one "camp" or another, ignoring all other potential concerns and motivations of third-party states, especially in regards to the least powerful nations in the international system.

In drawing the argument too tightly, it is easy to create a "straw man." As will be seen in the following section, all states have interests outside of the U.S.-Soviet conflict, and all but the weakest of states have some control over their own policies. Sadat's decision to expel the Soviets from Egypt in 1972, and their compliance, is an important challenge to the bipolar model. However, it is equally naive to assume that this global power struggle has had no effect on the domestic policies of other states. The diverse economic structures which have developed in East and West Germany vividly demonstrates this point. Of course, Germany was a special case, having temporarily lost its formal sovereignty and being directly occupied by the competing powers. However,

other cases of Great Power meddling abound, e.g., the fall of the Mosaddeq government in Iran in 1953, and Russian influence over Nkrumah in Uganda. Even the anomaly of "neutralist" Yugoslavia has been explained by at least one scholar in terms of American action to counteract Soviet influence in that country.⁵

At first glance, it is tempting to dismiss the "Great Power" conflict as irrelevant to the case under study. There has never been any serious doubt that Tunisia's loyalties lay westward. Furthermore, because of its relative weakness, small size, and insignificance as an important source of primary resources, one might suppose that American policy makers would have been indifferent to events in the country. As will be outlined below, this first impression is incorrect.

Most traditional realists would undoubtedly be of the opinion that it would have been irrational on the part of the U.S. to have concerned itself with the Tunisian experiment. Realist scholars have criticized policy makers for, as they see it, losing sight of true national interests. According to them, attention has shifted from the real enemy--the power of another state--to combating an ideology, communism, and its supposed precursor, socialism. The state has diminished its own power by concerning itself with too many perceived

threats which in reality did not endanger its security. Although they disapprove of this state of affairs, the realists' concept of power is still operative--the key word is "perceived." Policy makers (in both superpowers) have acted on their perception of threats to the status quo or to opportunities to increase their own power at the other's expense. It is important to clarify that what is to be examined here is not whether the traditional realists are correct in this assessment. It is not the task of this research to show whether or not American power has waned as a result of its foreign policy. Nor does it really matter in this case if the threats or opportunities were illusory or real.

The United States of the Cold War period, like ancient Rome, was concerned with all the political problems in the world. The loss of this or that country to communism, therefore, while not in itself a threat to American physical security, carried with it implications that officials in Washington found highly disturbing. They became greatly concerned with trends, with the appearance as well as the reality of events, and there was much talk of dominoes.⁶

HOW HAS THIS MODEL BEEN APPLIED TO POLICY CHOICE IN OTHER COUNTRIES? SUPERPOWER AFFILIATIONS IN AFRICA

Crawford Young's Ideology and Development in Africa is a rare example of a scholarly attempt to examine the relationship among state ideology, economic development, and great power affiliation. Young categorizes the

developing countries of the African continent by the ideology they espouse as countries of the African continent by the ideology they espouse as "Afro-Marxist," "Popular Socialist," and "African Communist." As explained in the first chapter, Tunisia of the 1960s belongs to the second category. Young's categories seem to assume an equivalence between ideology and general economic policy. He finds that economic ideology is clearly an important variable in determining foreign relations. "The Soviet Union is attracted by the 'revolutionary democratic' choice of some African states, a category that includes both Afro-Marxism and popular socialism. . . . The United States, conversely, is more clearly more comfortable with regimes that are committed to market economy ideology: Ivory Coast and Kenya are viewed as exemplary cases."⁷

However, the developing countries' choice of economic policy (i.e., "ideology") is not the only variable determining their patterns of relationships: on the part of the superpowers, the realists' geopolitical concerns often prevail. Thus, for example, "when socialist Guinea came into momentary conflict with the Soviet Union, a major [U.S.] aid program was swiftly mounted."⁸ Russia's record-breaking \$2 billion phosphate

agreement with the "Western gendarme" of Morocco was clearly motivated by non-ideological state interests.

Although U.S. policy makers did necessarily like African socialism, "the first wave of populist socialist regimes aroused much greater apprehension by their Soviet affinities [e.g., Ghana] than they did by actually pursuing internal policies in the name of socialism. . . . The difficult and often poor relations with Nasser's Egypt and Algeria as well had little to do with internal land reforms or nationalizations, but rather focused upon the radical anti-imperialism of their foreign policies and--especially in the Nasser case--the intimacy of the Soviet military connection."⁹ On the part of the African countries, the expected preference for relationships with the superpowers has been modified by three common themes: nonalignment, nationalism, and the Third-World Struggle for a New International Economic Order.

The above discussion sheds welcome light on the role of ideology (i.e., policy preference) in determining developing country relations with the major powers. However, this chapter is more specifically interested in the inverse of the question--the role those relations play in policy formulation. Politically, Young found that

most of the African states sought to maintain at least diplomatic relations with both the U.S.S.R. and the United States, in order to soften the influence of either's power upon them. Thus, for example, should the U.S. refuse to sell arms or otherwise provide military assistance to a potential client because of disagreement with its regional foreign policy (as was the case with Somalia in the 1960s) the country has not closed the door to Soviet assistance. The same principle is less viable when it comes to economic assistance or to trade relationships. Egypt, of course, was able to obtain Soviet assistance for building the Aswan Dam after the U.S. withdrew its support. (Although the U.S. decision was not a sign of disapproval of Egyptian economic policy, but to its foreign policy.) In general, "the tightly circumscribed choices available in international economic relationships considerably reduce the impact of ideological perspective. Afro-Marxist states as well as market-economy ones offer investment guarantees to Western capital holders."¹⁰

THE RELEVANCE OF THE BIPOLAR MODEL TO THE TUNISIAN CASE

Even the most exhaustive survey of the literature on the socialist experiment in Tunisia fails to reveal any indication of Soviet involvement in the

decision to adopt economic planning and other "socialist" measures at the beginning of the 1960s, nor that they had any role in the acceleration of the policies after 1964, nor certainly in the reversal of the policies in 1969. This is important because it illustrates several aspects of Soviet policy toward the developing world. First, although the U.S.S.R. came to view "popular socialist" movements as "progressive," its original position was to view them with suspicion or even hostility because of their nationalistic character and their rejection of certain fundamental tenets of Soviet communism. Such movements were not originally viewed in terms of enhancing Soviet prestige vis-a-vis the capitalist world but rather as diminishing it vis-a-vis the "Chinese model."

Secondly geopolitical priorities strongly influence which opportunities will be taken by the Soviets to exercise their power. Europe has been the most important. "East Asia has ranked second in Soviet geopolitical thinking since the 1930s and 1940s. . . . Since the mid-1960s, third place on the Soviet list has gone to the southern rimlands of the U.S.S.R.--that is, the countries forming a broad arc south of the Soviet Union, from the Indian subcontinent around to North Africa."¹¹ That the Soviet Union has not needed most of the Third

World's primary products in the same way that the West has also influenced its priorities. Thus, in a case such as Tunisia, where the U.S.'s position is already firmly established and where the country is of relatively lesser geopolitical importance, Russia has not tended to challenge the status quo.

Finally, given its inability or unwillingness to provide substantial levels of economic assistance, "even the more conservative among Soviet analysts suggest that 'socialist-oriented states' in the Third World should not shun Western capital but seek to encourage it by establishing rules that offer foreign investors advantages that do not damage local interests."¹²

The question of Soviet influence on Tunisian political economy was apparently resolved a decade earlier when the Tunisian trade union movement faced the choice of affiliation with the ~~Communist~~-led World Federation of Trade Unions, the American-led International Conference of Free Trade Unions, or the neutralist stance of no affiliation with either. After brief association with the former in 1949-50, the General Union of Tunisian Workers eventually opted for the International Confederation of Free Trade Unions affiliation in 1951. This choice was made with full awareness of its Cold War implications. "It recognized, for example, that the

world of labor was now divided into two sharply differentiated camps. Associated with either, therefore, the Tunisian labor movement would not only be pitted against the other in the Cold War, but might also lose its identity in the process."¹³ From the time of Independence, Soviet influence steadily diminished with Tunisian labor movement, and found no other channel through which it might influence the policies of the country. "While the Tunisian Communist Party resolved at its Seventh Congress in 1962 to infuse new blood into the local trade union movement, what little influence it has had has been exercised largely among the Tunisian students and the workers in Bizerte and Gafsa."¹⁴

That the Soviet Union had no direct influence on Tunisian policy making does not necessarily negate the bipolar model's applicability to this case. During this era a U.S. policy was often based on perceived threats. In the Tunisian case, it may be hypothesized that concern that the country might "go completely socialist" could have evoked a U.S. response to halt the experiment. This seems at least plausible. "Socialism" is an economic term. However, in this context it is important for its political implications: the worst-case scenario being that socialism is adopted, U.S. influence wanes, Soviet economic advisors are welcomed, followed by

military advisors and the granting of bases. Tunisia would then become "another Cuba" across the Mediterranean from Italy. (This scenario reflects that in the early years of the Cold War, U.S. policy makers did not yet recognize the schisms in the socialist movement.)

It is not difficult to show that the U.S. did have concrete interests in keeping Tunisia within the Western sphere, although these are more easily explained in regional terms than by interests in the country per se. Malcolm Kerr sees three main areas of American interest in the Maghreb: its ties with the rest of the Arab world; the strategic importance of the Mediterranean in the conflict with the Soviets; and actual and potential oil and gas resources in the area. This last interest area--the oil and gas resources of North Africa--has the least defined role in a power-based explanation of the policy shifts in Tunisia. The U.S. during the 1960s was not indifferent to the issue, insofar as North Africa was a major source of energy to its allies in Western Europe, and also because of the involvement of American petroleum companies. However, the U.S. itself was not dependent on North African oil. Furthermore, Tunisian production was not very significant, although there was undoubtedly some hope of finding new reserves. Tunisia's primary importance in this area was its role in access to

Algerian production because of the pipeline which runs through its terrain and which, it may be noted, Tunisia refrained from closing down over Algerian nationalist objections during the latter's conflict with France. This role, however, does not appear to figure directly in any U.S. attempt to influence Tunisian economic policy during the era under study.

During the 1960s most analysts believed that the United States was losing influence in the Arab world to the Soviets. Tunisia (with Jordan, Morocco, and Saudi Arabia) was considered to be one of the U.S.'s few remaining friends. The Maghreb states, including Tunisia, "have a close and continuous relationship with the rest of the Arab world. They are therefore involved in the Arab-Israeli conflict and capable in some way of influencing the frontline Arab participants."¹⁵ In fact, Bourguiba "angered several radical Arab governments with his call, in 1964, for a negotiated settlement with Israel."¹⁶

Most important from the point of view of the bipolar model is Tunisia's strategic significance to the U.S. "Its location on the southern coast of the Mediterranean and its naval base at Bizerte--the natural harbor is deep enough to permit undetected use by submerged submarines--remain as strategically significant as

they were during World War II when they served as key elements in the control of the narrow waters between North Africa and Sicily. Potential use of such facilities--or their denial to unfriendly powers; long have been a feature of strategic considerations by both the Western allies of the North Atlantic Treaty Organization (NATO) and the Soviet Union."¹⁷ Again, during the 1960s, the Mediterranean ceased to be an "American lake" as the Soviet Union achieved its age-old goal of establishing a naval presence there. By 1971, "forty to seventy Soviet combat and support vessels plus ten to twelve submarines, depending on the season [were] on station in the Mediterranean,"¹⁸ where the Soviet flotilla was seen to rival if not surpass the American Sixth Fleet.

Throughout the decade the U.S. and U.S.S.R. each sought to establish or maintain military agreements (preferably base rights) in the area. The U.S. had bases in both Libya (until 1969) and Morocco. A 1959 agreement with Morocco stipulated that the American bases be vacated by 1963, but American contingents remained until 1978 to train Moroccan personnel and to operate three communications facilities. The Soviet Union, in addition to its main source of arms, Algeria did not grant the Soviets base rights. "For example, Algeria did not permit the Soviet Union to use the naval port at

Mers el Kebir after it was evacuated by the French. Algeria has stated its preference for a Mediterranean Sea free of warships belonging to either East or West."¹⁹

It goes without saying that the establishment of military ties by Tunisia with the Soviet Union would be detrimental to U.S. interests. Under status quo conditions that proposition is and was highly unlikely. But the fact that the U.S.S.R. was rumored to have approached Tunisia (and Morocco) in the 1970s over establishing base rights--presumably in anticipation of a change in regime²⁰--serves to illustrate the U.S.'s state in maintaining a pro-West government there. In keeping with its official "nonaligned" status, Tunisia has not granted the U.S. base rights on its territory, although in recent years there have been persistent rumors that the naval base at Bizerte might be reopened for use by the U.S. Sixth Fleet.²¹ (The U.S. does have a base-rights agreement with Morocco.)

The French military presence ended with its evacuation, completed in 1963, of the naval base at Bizerte. French refusal to evacuate from Bizerte in 1961 was the source of a major dispute between the two countries which culminated in a battle between French forces and Tunisian irregulars which resulted in over 1,000 Tunisian casualties. However, the U.S. has been Tunisia's

major supplier of arms (since 1957 when France resisted supplying Bourguiba's government.) What was not acquired from the U.S. was supplied by Western Europe--Tunisia has had virtually no arms trade with nor assistance from the Eastern Bloc. Most important, Tunisian defense strategy had rested heavily on the assumption of assistance from friendly states--i.e., the U.S.--in the event of external aggression.

It may be concluded from the above discussion that the U.S. did have concrete interests in maintaining a pro-West regime in Tunisia throughout the 1960s and beyond. It is more difficult to operationalize this interest in terms of cause and effect regarding the policy decisions taken in economic matters during the decade. For the "bipolar model" to be applicable to this case, two questions must be answered: How are the U.S. "power" interests described above related to economic policy in Tunisia? By what means was the U.S. able to influence Tunisian policy making? The response to these questions inevitably lead back into the territory of the economics-based explanations.

That the U.S. would look favorably upon the second policy shift--leading back towards a liberal market economy--seems obvious. Especially after the acceleration of the cooperative program, the U.S. would have

been anxious to avoid a radicalization of the reforms into an Algerian-style revolution. U.S. interests in promoting the first shift are less obvious, until it is recalled that early post-independence policies had been totally ineffective, resulting in no economic development of any kind. It may be assumed that economic stagnation in the country posed at least a potential threat to Bourguiba's pro-West government, especially in the prevailing climate: exposure to the West through the experience of colonialism had awakened the people to their state of economic deprivation; "development" had become a powerful ideological force--a national imperative for the newly independent countries; and radical socialist regimes had come to the fore in several neighboring countries.

President Kennedy's view of the Third World and its role in the Cold War lends support to this thesis. Kennedy, who took office at the same time that the socialist policies were being formulated in Tunisia (1961), believed that the developing countries were the key to America's victory over communism. His was a "liberal" view--economic development, promoted by the United States, would eliminate the base for Communist revolutions in the Third World. Development assistance was thus an arm of foreign policy and, not so incidentally,

was formulated in such a way as to tie the recipients to the American economy, the Alliance for Progress being the most outstanding example of this policy.²² Should this strategy fail, however, the U.S. was more prepared than ever before in its history to intervene, as shown by the unprecedented military build-up (conventional as well as nuclear) initiated by Kennedy and his Secretary of Defense, Robert McNamara. "The American military build-up (conventional as well as nuclear) initiated by Kennedy and his Secretary of Defense, Robert McNamara. "The American military build-up indicated that the United States would stop, by force if necessary, revolutionary movement in the Third World."²³

It is improbable that the U.S. would outspokenly demand cooperativization, nor any other economic policies presented as "socialist." However, given the new emphasis upon economic development and development assistance in the struggle to contain communism, pragmatic reasoning accepted the necessity of some form of economic planning. The United States was a strong advocate of planning in the developing countries. In the 1961 State of the Union Address, President Kennedy proposed that "all United States foreign aid be expanded on the basis of 'orderly planning for national and regional development instead of a piecemeal approach.'"²⁴ Beginning in the early

1950s, the World Bank played an important role in starting or accelerating organized development planning. Its survey's and other missions in developing countries recommended the establishment (or reorganization) of central planning agencies and the preparation of national development funds.²⁵ It also provided technical and resident advisors to help prepare and implement national development plans and programs.²⁶

In addition to their role in guaranteeing the investment, the cooperatives were also seen as a means of enforcing capital accumulation (especially from small savers) and carrying out agricultural reforms. Furthermore, "insofar as the cooperative system is based upon the principle of putting together individual initiative, it does not conflict at all with private capitalism."²⁷ It is certainly true that "socialist" Tunisia was able to obtain unusually high levels of economic assistance from the U.S.; for example, during the period 1964-1977 Tunisia received almost \$14 per capita, compared to the U.S. average of \$6 per capita in development assistance to the whole of Africa and \$4 per capita for the developing world in general.²⁸

Thus, whereas the United States did not itself demand the specific measures adopted in the first policy shift, notably cooperativization, it did not actively

oppose them so long as the reforms remained within certain bounds. This is because the reforms corresponded to the U.S.'s own foreign policy interests in the country. A statement by Ben Salah confirms the close contact with the U.S. and their lack of objections to the reforms:

I spoke with the Americans I don't know how many times, I spoke with them every week--with he representative of the United States Agency for International Development or with the ambassador--and no official ever criticized the policy that we were following, regarding the commercial plan, the agricultural plan, the reforms--never.²⁹

From this point of view, evidence of U.S. intervention may be found in the second shift, when the reforms are prevented from "getting out of hand" and liberal policies more in line with U.S. perceived interests are reinstituted. The direct instrument of influence is economic--access to U.S. and (presumably U.S.-controlled) funds from international agencies such as the World Bank and the International Monetary Fund. According to the bipolar model, economic leverage is only one aspect of the fundamental power relationship. In this case military threats are unnecessary, although the fact of Tunisia's tacit dependence on the U.S. security umbrella is an important factor in determining what policies the weaker country will adopt. It is to be expected that a country which falls into the "sphere" of one or the

other superpowers will behave as it expects the power wants--even on issues that the power may not particularly care about--so that often no direct persuasion is necessary.³⁰ A blatant example of this may be seen in U.S. relations with Turkey throughout the 1950s: "In 1959, when President Eisenhower arrived in Ankara on a state visit, he was astonished to observe that the Turkish President Celal Bayar opened their official meeting "with the remark that we really had nothing to talk about, since we all knew that our views were identical in every respect."³¹

Because the bipolar model--like all power-based explanations--is most concerned with international political phenomena, it is important to examine Tunisian foreign policy in relation to the shifts. A simplistic approach would expect Tunisia to take a more actively "neutral" (if not pro-Soviet) position on world affairs after the first shift, and then to become more pro-American after the second shift. Neither can be said to have occurred. However, if the above hypothesis is correct--i.e., that the economic policy adopted in Tunisia in the early 1960s did not conflict with U.S. interests and were actually designed to conform to requirements for Western development funds--then it is not surprising to find that though it had declared itself to be not only "socialist" but

"non-aligned." One might even speculate that the realists' admonitions to not be distracted by ideological rhetoric but to focus on protecting actual interests accounts for the levels of the United States Agency for International Development noted on the previous page.

Tunisia's pro-American stance during the 1930s has been a source of commentary by political observers from across the ideological spectrum. Bourguiba's moderate stance on the Arab-Israeli conflict has already been mentioned, as well as the reactions that this caused on the part of most of the Arab world. The expressed anti-Marxism of the Tunisian leadership and the fact that it was during this era (in 1963) that the Tunisian Communist party was outlawed also serve to prove the point. Perhaps the most outstanding example of Tunisia's pro-American stance was Bourguiba's support of the U.S. war effort in Vietnam, which was defined as "self-defense" in government propaganda.³² Tunisia was virtually the only "non-aligned" state to adopt this position on the Vietnam war.

Tunisian foreign policy in the years immediately following the shift away from socialism did not correspond to the expected pattern of increased pro-Americanism, and it is difficult to see how the bipolar model would account for this without diverging foreign

policy imperatives from economic policy concerns.

Although Tunisia did not renounce its Western orientation, it took a more independent course during the early 1970s. For example, after 1969 Tunisia reversed its position on the war in Vietnam. Under the new foreign minister, Mohammed Masmoudi (appointed in 1970) Tunisia embarked on "a vigorous campaign of fence-mending with the more leftist Arab and African states and with the Communist countries, without sacrificing good relations with the French, the Americans, or most of the Arab and African conservatives."³³

This campaign took the form of a constant round of diplomatic visits and the negotiation of commercial and cultural agreements, plus symbolic pronouncements on behalf of the Palestinians, national liberation movements, etc. Bourguiba went out of his way in 1973 to suggest that King Hussein of Jordan should step aside in favor of the Palestinian Liberation Organization, prompting Jordan to break diplomatic relations (later restored). Also, in 1972, Tunisia voted in favor of the ouster of Nationalist China from the United Nations in favor of Peking, thereby inviting the official displeasure of the United States, though without sacrificing the aid program. Continuing this pattern, Premier Nourouia paid successive visits in the spring of 1975 to China and the United States, returning home in time for Soviet Premier Kosygin's visit to Tunisia.³⁴

These aberrations--the fact that Tunisia was steadfastly pro-American during its socialist phase and more "leftist" in its foreign policy while reinstituting a liberal market economy at home (plus the difficulty in

firmly establishing non-economic instruments of American persuasion)--weaken the bipolar model's ability to explain the Tunisian case. It is obvious that Tunisia was operating within an international system dominated by two rival superpowers with interests in the area. It is equally obvious that Tunisia, partly because of the natural inclination of the leadership, partly out of economic necessity, fell within the Western sphere of influence. These conditions imposed certain constraints on Tunisian policy choice. However, the above discussion indicates that whatever the U.S. or Soviet perceptions of the situation, that rivalry was not the most important variable in the formulation of domestic economic policy in Tunisia.

THE REGIONAL, OR "SUBSYSTEMS," MODEL: AN ALTERNATIVE POWER-BASED EXPLANATION

SUMMARY OF THE SUBSYSTEMS APPROACH

A second kind of international political explanation which is also based on the concept of the pursuit of power by unitary state actors is the regional, sometimes called "subsystems," model. This approach to the study of international relations obtained greater acceptance in the early 1970s as scholars began to turn their attention to variables unrelated to the great-power rivalry

which influence the behavior of states. The impetus for this change in focus was twofold: an awakening perception of renewed multipolarity in the international system (in particular, the recovery of Europe); and secondly, a new awareness of the Third World because of the "South's" surprising unanimity in its demand for a New International Economic Order. The latter has blurred the distinction between the Eastern and Western Industrialized countries, giving them some common interest in protecting the status quo.

The quest for power by nation-states was defined in this chapter in terms of bettering one's position in the hierarchy of states (based on criteria such as military capability, prestige, and economic strength), in order to resist external influence and to influence others. Krasner, who is not a regionalist, has identified the Third World's vulnerability to pressures emanating from the international system as a primary factor in determining policies adopted by developing countries. Although he is most interested in explaining the foreign (economic and political) policies pursued by these countries, his observations are useful for understanding the political objectives of poor and weak states which may influence domestic policy formulation as well. Economic objectives have not been the only, nor even the most

important, goals. Political objectives, including "International political equality, influence in international decision-making arenas, autonomy and independence, the preservation of territorial integrity from external invasion or internal fragmentation, the dissemination of new world views at the global level, and the maintenance of regime stability,"³⁵ have been at least as important.

Different objectives have been pursued in different forums. Economic objectives (e.g., development funding, tax treaties, etc.) have usually involved bilateral negotiations. On the other hand, Third-World countries have banded together in the international organizations to press for restructuring of the international regime which would allow them greater political control. This policy reflects the fundamental powerlessness of individual developing countries to influence international behavior under the present regime.

Thus, for the weak states, which have almost no chance of obtaining power in the dominant international system, (at least for the time being, certainly in the 1960s), the only arena for acquiring influence is regional:

Insofar as the security considerations of the United States and the U.S.S.R. have no territorial limits, international politics is global

and total for these states. But the great-power view of world politics is not necessarily reciprocated by the lesser powers. . . . Insofar as a situation of mutual deterrence obstructs great-power intervention, the smaller powers are free to act. Hence international politics is not global or necessarily total for the lesser powers.³⁶

International "subsystems" are therefore identified by scholars holding this view of the world. These regional areas are called "subsystems," i.e., subordinate international systems,³⁷ because they are assumed to exist as relatively self-contained interactive units within the framework of the overarching "dominant" international system (the latter having been characterized by bipolarity for most of the post-War period).

Cantori and Spiegel have suggested seven general rules defining subordinate systems:³⁸

- * Every nation-state is a member of only one subordinate system.
- * All such systems are geographically delineated by reference to geographical considerations, but social, economic, political, and organizational factors are also relevant.
- * Size does not necessarily determine the existence of a subordinate system.
- * Within the boundaries of a subordinate system, there is a complex interaction between political, social, and geographic factors.
- * Indigenous political relationships, geographic factors, and social and historical backgrounds help to define a subordinate system.

- * Outside powers play a role in defining a subordinate system.
- * Although geographic boundaries do not change and social factors rarely do, political and ideological factors are fluid.

Cantori and Spiegel's generalizations about subordinate international systems provide a clue to international influences upon policy formulation in a developing country. It may be assumed that the country will attempt to improve its position within its own regional system, and that this objective will take priority over any dominant system considerations. The country may align itself, or otherwise become involved with non-regional actors, but the primary reason for such behavior is to further its regional objectives. In the case of a very weak country, the state may be forced to adapt its policy to protect itself from the intrusive influence of more powerful regional actors; i.e., to protect the stability of its domestic regime as well as protecting the physical security of the country's territory.

REGIONAL POLITICAL INFLUENCES ON TUNISIAN POLICY FORMULATION

The regional/subsystems approach is useful for understanding the international "power" considerations involved in Tunisia's decision to adopt and then abandon

"socialist" policies, which were inadequately explained by the bipolar model. This approach is particularly useful for understanding the first shift which, as seen in the following chapter, is the most difficult to explain in terms of the world systems/dependencia model. The bipolar model as well found the first shift's socialist nature difficult to understand since it appeared that any international influence must have come from the Western capitalist sphere which, it is logical to assume, would have preferred less emphasis on socialism--i.e., they would favor non-avowedly socialist policies to promote development and to manage international development assistance.

In attempting to indentify their location within the international system, scholars have classified the Maghrebi states in a number of ways: "'Middle Eastern,' 'North African,' 'African,' 'West African,' 'Mediterranean.'" This reflects the diverse realities of the Maghreb. It is probably most accurate to identify Morocco, Algeria, and Tunisia as the core of its own sybsytem,³⁹ "the Maghreb,"⁴⁰ which itself lies in the periphery of at least two other subsystems, the Middle East and Africa. Actually, the Maghreb is delineated by the intersection of several supranational systems. These are: The "Islamic World," the "Arab World,"

"Africa," the "French sphere of influence," and the "Mediterranean System." Each of these, along with forces originating within the subsystem itself (e.g., demands for a "Greater Maghreb"), impinge upon each of the Maghrebi states. These forces not only serve to define the character of these nation-states, but also create supranatural loyalties and imperatives, and thus to some extent challenge the integrity of the nation-states themselves. The Tunisian state has been self-consciously aware of the country's unique position, as reflected by official government statements; e.g., "Tunisia is a geographical link among the north (that is, Europe), the east (that is, the Middle East) and the south (that is, the African countries.) Our policy must harmonize these geographical coordinates in both the economic and political fields."⁴¹

In the post-Independence era, Tunisia has been assaulted by (or party to, depending on one's viewpoint) all of these supranational forces. Two in particular have played an important role in shaping Tunisia's economic policy during the 1960s. These are the unacceptable (to Tunisia) levels of power exercised by France over the country, and the equally unacceptable attempt by some radical Arab states, especially Egypt, to capture the dominant position in the Arab world.

The exact role of aspiring regional powers upon policy formulation in Tunisia is difficult to quantify. The most serious challenge came from Nasser's Egypt, and was expressed as a call for pan-Arabism and "Arab socialism"--i.e., Arab unity to counter the forces of imperialism and underdevelopment--with Egypt to be leader of the movement. Nasser achieved some success in his bid for leadership of the Arab World, becoming the dominant force in the Arab League, which Tunisia consequently boycotted from 1958 to 1961.

Tunisia was critical of Egypt's confrontation policy toward Israel during the late 1950s and 1960s and dismayed by Egypt's attempt to lead the Arab League into adoption of that policy. Tunisia was also critical of Egyptian President Gamal Abdul Nasser's militant pan-Arabism, his friendly relations with the Soviet Union during the 1960s, and the attempts to form some kind of Union between Egypt and Libya. Diplomatic ties were broken between 1958 and 1960 after Tunisia accused Egypt of controlling the Arab League. They were restored after the 1961 Bizerte crisis, broken again in 1965, partially restored a year later, and restored to the full ambassadorial level in 1970.⁴²

The result of these supranational pressures was to force Tunisia to promote Tunisian nationalism as a counter ideology to pan-Arabism, in an attempt to capture the ideological legitimizing force of "development" and "socialism" for its own.

Using Cantori and Spiegal's formulation, France may be viewed as an "intrusive system" in the Maghreb, as

for all of its former African colonies. In the post-colonial era, "if more discreet methods of participation are necessary, either because of African sensitivities or internal economic constraints, France has thus far been prepared to adopt them. However, the French do not appear ready to relinquish their heavy activity in this area to any other intrusive power--especially not to the United States."³⁹ This sets the parameters for Tunisian action as analyzed from the regional/subsystems viewpoint.

In the immediate post-war period, Tunisia had two basic objectives regarding France: to decrease that country's power over Tunisia, particularly in its most overt forms; and to protect whatever benefits, particularly economic, resulted from the relationship. The Algerian war complicated the problem. Supranational pressures emanating from the Arab world and Africa dictated that Tunisia adopt a position of support for national liberation movements--especially in the rest of North Africa--yet its (not inconsiderable) support of Algeria in its war against France endangered the two basic objectives. This point was made clear in 1957 when France temporarily stopped economic assistance and arms deliveries in retaliation for Tunisian assistance to Algerian nationalists; and again, in February of 1958,

when France bombed the small village of Saquiyat Sidi Yusuf near the Algerian border, reportedly used as a firing base. France had adopted a relatively "liberal" policy towards Tunisia--granting formal political independence without a fight, agreeing to certain decolonization measures, and continuing economic assistance--with the intention of using the country to further its objectives in Algeria. (France adopted much the same policy in Morocco.)

The example of the Algerian struggle, along with the spectre of vigorously anti-imperialist economic policies promulgated in other Arab and African countries, created additional pressure upon the Tunisian state to take a more anti-colonial policy at home as well.

These variables help to explain the Bizerte crisis, which has been described as ill-conceived and somewhat irrational as France had already agreed in principle to vacate the base.

Throughout this period, events in North Africa clearly showed up Tunisia's loss of prestige among her neighbors. Tunisia was no longer the état pilote that would show the Maghreb how best to modernize. Rather, its image became that of a little country weakened by economic difficulties and overly eager to conform to DeGaulle's "neo-colonialist" designs--an image that, at least for the Algerians then negotiating with France, made Bourguiba's intransigence over Bizerte seem an all the more pitiful effort to keep in step with the triumphant forces of revolution and emancipation.⁴⁴

The regional/subsystems approach would therefore hypothesize that these political considerations led Tunisia to turn to the United States to counter French influence and to simultaneously institute socialist-oriented programs domestically, based upon economic planning and cooperativization. The cooperatives, in particular, may be seen as a direct result of the government's policy of "Tunisification" of the agricultural sector, especially after the 1964 decision to nationalize all foreign-held land. The cooperatives were a practical solution to the state's problem of administering large amounts of newly acquired ex-colon land. The 1964 decision in principle to allowing the land to revert to Tunisian ownership, with France compensating the former colons. This gradual process was far too slow given the regional political climate and so, with the safety net of American Support, Tunisia chose to forfeit (temporarily) French economic assistance by its decision to nationalize. The country was thereby able to simultaneously make progress towards its objectives: counteracting the challenges emanating from the Arab world and Africa by appearing more progressive in its domestic policies; lessening French power over the country; and continuing to receive international development assistance.

This approach also explains the decision to end the socialist experiment by focusing on international variables. The second policy shift may be attributed to a combination of three factors: the decline of socialist experiments elsewhere in the Middle East and Africa; pressures from the American "intrusive system" to end the reforms when they became more radical (as described in the preceding section); and a resurgence of French pressure to end the experiment as ties with France were repaired and after the passing of DeGaulle.

NOTES

¹See Peter Gourevitch. "The Second Image Reversed: The International Sources of Domestic Politics." International Organization, Volume 32, No. 4. (Autumn 1978): 881-912.

²Hans J. Morgenthau. Revised by Thompson, Kenneth W. Politics among Nations: The Struggle for Power and Peace. 6th edition. Alfred A. Knopf, New York, 1985, p. 11.

³Joseph A. Schumpeter. Capitalism, Socialism, and Democracy. 3rd edition. Harper Brothers, New York, 1950, pp. 52-53; quoted in Dougherty, James E. and Pfaltzgraff, Robert L.; Contending Theories of International Relations, J. B. Lippincott Company, Philadelphia, 1971, p. 187.

⁴Morgenthau. Op. cit., p. 380.

⁵Marshall R. Singer. Weak States in a World of Powers: The Dynamics of International Relationships. The Free Press, New York, 1972, p. 372. Singer points to A.I.D. and U.S. military economic assistance. ". . .the total cost (in dollars) of keeping Yugoslavia a neutral country in the Cold War for 22 years has averaged approximately \$59 million a year."

⁶Stephen E. Ambrose. Rise to Globalism: American Policy, 1938-1976. Revised edition. Penguin Books, Middlesex, England, 1976, p. 20.

⁷Crawford Young. Ideology and Development in Africa. Yale University Press, New Haven, 1982, p. 293.

⁸Ibid., p. 263.

⁹Ibid., pp. 262-263.

¹⁰Ibid., p. 292.

¹¹David E. Albright. The U.S.S.R. and Sub-Saharan Africa in the 1980s. Praeger, New York, 1983, p. 89.

¹²Ibid., p. 37.

¹³Willard A. Beling. Modernization and African Labor: A tunisian Case Study. Praeger, New York, 1965, pp. 88-89.

¹⁴Ibid., p. 78.

¹⁵Malcolm H. Kerr. "Political and Economic Trends in North Africa," in Udovitch, A. L., ed. The Middle East: Oil, Conflict and Hope. Lexington Books, Lexington, Massachusetts, 1976, p. 423.

¹⁶Ibid., p. 410.

¹⁷Harold D. Nelson, ed. Tunisia: A Country Study. 2nd edition. The American University, Washington, D.C., 1978, p. 227.

¹⁸Ciro Zoppo. "The American-Soviet Mediterranean Confrontation and the Middle East," in Beling, Willard A., ed. The Middle East: Quest for an American Foreign Policy. State University of New York Press, Albany, 1973, p. 205, quotation from footnote.

¹⁹Harold D. Nelson, ed. Algeria: A Country Study. 3rd edition. The American Univesity, Washington, D.C., 1979, p. 253.

²⁰Kerr in Udebeck. Op. cit., p. 423.

²¹Richard Lawless and Allan Findlay. North Africa: Contemporary Politics and Economic Development. Croom Helm, London and Canberra, 1984, p. 2.

²²"The Alliance for Progress . . . was merely a dressed-up version of Truman's Point Four. The major revenue-producing properties in Latin America remained in the hands of American corporations, which meant that the profits returned to the United States. In addition, the Alliance for Progress loans carried strings, the most important of which was that the money had to be spent on American-made goods, which cost more than the European or Japanese equivalent." Ambrose. Op. cit., p. 281.

²³Ibid.

²⁴Albert Waterson. Development Planning: Lessons of Experience. The John Hopkins Press, Baltimore, Maryland, p. 35.

²⁵Ibid. For example, the 1962 Surinam Ten-Year Development Plan was based upon the proposals of an International Bank for Reconstruction and Development survey mission. The World Bank was also involved in planning in Iran.

²⁶Ibid., p. 36.

²⁷Gabriel Gagnon. Coopératives ou Autogestion: Sénégal, Cuba, Tunisie. Les Presses de l'Université de Montreal, Montreal, Canada, 1976, p. 233. (My translation.)

²⁸Richard Hall. "Tunisia: An Experiment the Aid Experts Watch." Africa Development, July, 1969, p. 8.

²⁹Marc Nerfin. Entretien avec Ahmed Ben Salah: Sur la Dynamique Socialiste dans les Années 1960. François Maspero, Paris, 1974, p. 135.

³⁰Marshall R. Singer. Op. cit.

³¹Talat S. Halman. "Turkey: Problems and Prospects." In Udovitch. Op. cit., p. 514.

³²Mohammed Harmel. "'The Tunisian Way': Myth and Reality." The African Communist, No. 36. (First Quarter 1969): 37.

³³Kerr in Udovitch. Op. cit., p. 410-411.

³⁴Ibid., p. 411.

³⁵Stephen D. Krasner. "Transforming International Regimes: What the Third World Wants and Why." International Studies Quarterly, Volume 25, No. 1 (March 1981): 121.

³⁶Leonard Binder. The Ideological Revolution in the Middle East. Robert E. Krieger Publishing Company,

³⁷See Binder, *ibid.*, for his definition of "the Middle East as a subordinate international system."

³⁸Louis J. Cantori and Steven L. Spiegel. The International Politics of Regions: A Comparative Approach. Prentice-Hall, Inc., Englewood Cliffs, New Jersey, 1970, pp. 5-7.

³⁹This agrees with Cantori and Spiegel's grouping. Ibid., p. 9.

⁴⁰Libya's inclusion as part of the Maghreb has been debated. Egypt is also usually included when the area is defined as "West Africa." Such questions are not crucial to the discussion at hand; it is adequate to note the close association that these countries have had with Tunisia.

⁴¹From an interview with Prime Minister Nouri in 1976, quoted in Nelson, 1978, op. cit., p. 209.

⁴²Ibid., p. 216.

⁴³Cantori and Spiegel. Op. cit., p. 298.

⁴⁴Clement Henry Moore. Tunisia Since Independence: The Dynamics of One-Party Government. University of California Press, Berkeley and Los Angeles, 1965, p. 205.

CHAPTER IV

THE WORLD SYSTEMS/DEPENDENCIA ANALYSIS

ECONOMIC EXPLANATIONS FOR POLITICAL BEHAVIOR

The previous chapters discussed the role that political variables played in Tunisia's decision to abandon its laissez-faire economic strategy in favor of "Tunisian socialism" in 1961, only to reverse itself again in 1969. The domestic politics chapter concluded that the strength of the state--its ability to act autonomously from vested interests--is the most important domestic variable in determining its ability to implement reformist policies. The chapter on international politics outlined the geopolitical reasons why the United States, in particular, chose to furnish crucial assistance to Tunisia to follow this economic strategy, even though it was not a strategy that the U.S. would be expected to favor. It also showed how the political interests of Tunisia in lessening France's power over the country, as well as in coping with the more radical pressures within the region at that time.

Taken together, these international and domestic political variables show why a change in Tunisian policy

was likely to occur, and help to understand the timing of the policy shifts. However, they are less helpful for explaining the specific form that the policies took. For this, it is necessary to understand the international economic context in which Tunisia must operate. This chapter examines the events in Tunisia from the perspective of the world systems and dependencia schools to determine their ability to explain the policy shifts in that country. These schools to determine their ability to explain the policy shifts in that country. These schools, treated here as one theoretical body, represent an attempt to formulate a "general" theory of international relations, proposing concepts meant to apply to all members of the international system over long spans of time. The world systems/dependencia perspective, which was born out of the Marxist tradition and in critique of it is, in contrast to the types of explanations examined in the previous chapters, based on the assumption that economic interests are the driving force behind international (and national) events and policies.¹

Like other "economics-based" theories, the world systems/dependencia approach assumes that economic variables are the most important determinants of international relations. International (and national) actors are motivated by economic factors. These factors are

more important for explaining state behavior than are any geopolitical, cultural, or domestic (in the sense of strictly political) considerations. Therefore, for example, "imperialism" is explained in economic rather than political terms.² The "state" (or government) as a unitary, independent actor is less important than non-governmental, economically motivated actors such as (the local) landed class, international capitalists, and "transnational actors" of all kinds. It is assumed that the state or government, insofar as it is a significant actor, is acting on the behalf of economic interests. Thus, country-specific, region-specific, and cultural-specific factors are relatively unimportant in explaining differences among actions or policies of different actors.³

All economics-based theories postulate, either explicitly or by implication, the existence of a "world capitalist system."⁴ This is the network of linkages which defines economic transactions in the international arena. This system is not random, but ordered by certain principles (e.g., the profit motive), which allow actors in the system to predict the behavior of other actors with some degree of confidence. The system is characterized by varying degrees of interdependence among its members.

SUMMARY OF THE WORLD SYSTEMS/DEPENDENCIA ARGUMENT

A fundamental difference between the world systems/dependencia argument and other economic theories of international relations is that the others focus on the behavior, and the variables which influence it, of advanced capitalist states in regards to their dealings with the underdeveloped countries, whereas world systems and dependencia analysts focus on the effects that this behavior has on the poor countries. However, the major emphasis of the world systems/dependencia approach is on explaining the existence and perpetuation of underdevelopment as a product of the world capitalist system, and not so much on explaining domestic economic policy in developing countries. There is therefore an unfortunate paucity of case studies by world systems/dependencia scholars which directly address the issue of how the international system influences policy change in the direction of socialism in the periphery. In the absence of explicit explanations by scholars from this school, it is necessary to extrapolate the world systems/dependencia hypothesis from the basic concepts and assumptions.

Although the world systems/dependencia perspective would not ordinarily expect the underdeveloped countries to adopt "socialist" policies which appear hostile to the international capitalist system, this was a general

trend among many countries especially in Africa during the 1960s. Because the world systems/dependencia theoretical approach is proposed as a "general" theory, it is reasonable to expect their concepts to be able to explain inward-oriented "socialist" policies of greater state control as well as outward-oriented liberal market policies as they occur in the real world.

The world systems and dependencia arguments, although they share their most basic assumptions and concepts, are not identical; at times they focus on different phenomenon, during different historical time frames, and they reach different conclusions about the possibilities for improvement of the situation of the poor countries. Even within these two approaches, there seems to be almost as many versions as there are writers on the subject. One reason for this is that these theories are more recent and relatively more complex than conventional theories of international relations, such as the "power" approaches and classical Marxism, and so scholars of this school are still searching for a consensus. Whatever, the reasons for these differing interpretations, they present a problem for anyone wishing to use the world systems/dependencia conceptualization to interpret particular cases. It becomes necessary to distill the varying viewpoints to a common denominator--and by so doing,

risk losing some of the power of the theory as it becomes less specific--or to choose to examine separately the work of a few of the better known authors, perhaps as if they were proposing entirely different theories, and ignoring the other versions. For the purposes of this research, it is preferable to employ the former strategy, but to take note of some significant variations.

Therefore, these two arguments will be treated as one theoretical approach. Both the world systems and the dependencia theories have their origins in the neo-Marxist tradition and were developed in response to the inadequacies of classical Marxist theory for explaining the role that international capitalism has played, especially (this applies particularly to the dependencia critique) regarding the underdeveloped countries in the post-Second World War period. In addition to their Marxist roots, they also share some fundamental assumptions as to how the world is ordered and why underdevelopment is perpetuated. Both describe a world in which the rich "center" countries--the industrialized, consumer-oriented societies--monopolize an immensely disproportionate share of the world's wealth. They are able to maintain their privileged position by systematically appropriating wealth from the "periphery"--the poor, underdeveloped nations of the "Third World"--via the

mechanisms of world capitalism. Thus insufficient capital is accumulated in the countries of the periphery for the level of investment necessary for economic growth to occur.

Most world systems/dependencia analysts explain this transfer of wealth in terms of the "international division of labor" which relegates to the poor countries the function of providing primary products--often in the form of "monoculture" agriculture or concentration on one particular mineral commodity--or at best of manufactured goods requiring low levels of skills and technology to produce. This has several deleterious effects for the underdeveloped countries. First, since their economies are based on this kind of production, they are denied the "spin-off" effects that higher levels of technology and a skilled labor force provide in promoting economic growth and development, as observed by Galtung. Secondly, because they are producers of primary products, they do not receive the value added by processing and furthermore must pay that cost plus transportation when they import the finished product from the industrialized countries. In addition, the exports of a peripheral country are often either available from other sources or are substitutable, so the country remains vulnerable to world market fluctuations. Thus their terms

of trade vis-à-vis the center countries are weak and continue to deteriorate.

Emmanuel has a different perspective on how the world capitalist system perpetuates inequality and underdevelopment. He argues that the prices of the lesser developed countries' exports are not low because they are primary products, but rather because the price of labor--which he assumes to be immobile across national boundaries--is undervalued and fixed in the poor countries. On the other hand, wages are high and tend to rise in the advanced capitalist states, pushing up the prices of their products. As he also assumes that capital is mobile across borders, so profits tend to equalize and the costs of higher wages at the center is also paid for in the periphery.⁵

Although Emmanuel's emphasis differs from traditional dependencia arguments, it does not contradict them. Dependencia and world systems analysts have long argued, in the Marxist tradition, that the peripheral countries are necessary for the continuation of capitalism in the advanced industrialized states, which must "buy off" their working class (the "periphery of the center") at the expense of the poor countries. Furthermore, more than one dynamic may be at work to keep the lesser developed countries' commodity prices depressed and to

thwart economic development. In any event, Emmanuel's thesis leads to the same conclusion as other dependencia and world systems analysis: the world capitalist system tends to further impoverish the underdeveloped countries while allowing the center countries to maintain their advantageous position.

This situation is perpetuated by the existence of a class of elites in the underdeveloped countries whose life styles and interests correspond to those of the center countries. This small minority of the lesser developed countries' populations (the "center of the periphery") ~~benefits~~ economically from their association with the center and the exploitation of their own country. The loyalty of these elites lies not with the majority of their fellow countrymen, but rather with the privileged economic classes of the international community. It is in their interest that the relationship be allowed to continue with the advanced capitalist states, and since they usually have a great deal of influence over their governments, they are in a position to encourage policies favorable to them. The state itself is weak vis-a-vis these economic interest groups, as shown by the domestic politics analysis. "For most dependency writers, transnational corporations have constrained the exercise

of state power by reinforcing transnational class alliances that link domestic compradors directly to the centers of international capitalism."⁶

Whereas the center countries have a wide variety of trading partners, and trade extensively with each other, the countries of the periphery typically have just one trading partner in the center, and have very little interaction with other peripheral countries. This pattern is repeated not just in matters of trade, but in all areas, such as networks of communications and transportation. This is particularly significant for dependencia scholars, who see a variety of international capitalist systems within the primary world system, based on the dependent relationships of peripheral "satellites" on their particular center. The world systems approach also considers this pattern to be of major importance, but is more interested in the global economic system.

Both world systems analysts and dependencia scholars allow for a limited type of development in a small percentage of the peripheral countries, although they conceptualize it somewhat differently. The world systems approach describes a third category of states, the "semi-periphery," which are richer than the other countries of the periphery and function as "centers of the periphery" in a regional context. They are

characterized by improvement in aggregate economic measures such as the Gross National Product and level of foreign economic investment, and by the emergence of a modern industrial sector which is almost always export-oriented. A larger percentage of the population may enjoy a higher standard of living than is the case in other "Third-World" countries, (i.e., the "center" may be larger); however, they are still characterized by high levels of inequality.

The world systems approach, which takes as its frame of reference a much longer period of world history, claims that states may move up or down the scale--that is, from center to semi-periphery (e.g., Spain) or from periphery to semi-periphery (e.g., Brazil). Nonetheless, although the actors may change places, the roles of these kinds of states remain the same, and so the structure of the world system (which began to evolve in the fifteenth century) is fixed. Proponents of this theory do not propose any means by which the existing world system might be dissolved or changed. Nor do they suggest that any state might be able to opt out. This theory is highly deterministic. Like Marxism, it does not advocate human intervention. However, unlike Marxism, according to which human intervention is unnecessary because the dialectic is expected to unfold bringing about change on

a world scale, world systems theory sees human intervention as essentially futile as no real change is expected to occur.

The dependencia formulation is more optimistic. Scholars such as Cardoso have suggested that via increased self-reliance and emphasis on equity questions, real development may take place. For this reason, some versions of the dependencia theory of economic development have also been referred to as theories of "structural change." However, true development is not the usual pattern among countries of the Third World. The more common pattern is "dependent development." There is no exact corresponding concept to "semi-periphery" in the dependencia formulation, but those states which are defined as belonging to the semi-periphery in the world systems analysis would probably be viewed as having achieved "dependent development" by dependencia scholars.

Dependent development is not seen as real development as it exacerbates existing inequalities in the developing countries, often worsening the lot of the majority of a country's population in both relative and absolute terms. It is "economic growth without development--growth determined by foreign capital and foreign markets rather than by local needs . . . [it] involves vertical economic linkages--that is, links to the

economies of the metropolitan centers--rather than horizontal economic linkages--those between or among the various domestic sectors of the local economies."⁷ Furthermore, closer contact with the advanced capitalist states is said to produce a demonstration effect, promoting the demand for "inappropriate" luxury goods in societies where basic needs are not being met.

In states where dependent development have occurred the production of basic foodstuffs and other basic commodities which were previously produced indigenously is curtailed as production is increasingly geared to the export market. Those industries which are developed to produce for domestic consumption, as in import substitution, are oriented to the market for western-style luxury goods, for the elites of the country. Thus these countries come to import the same goods for which they were once self-sufficient, furthering the cycle of dependency. This interpretation is extremely critical of most international (multilateral as well as bilateral) development agencies which base their policies on liberal economic theories and which point to these same countries as models of successful development. For example, Cardoso states that "as a system, international cooperation has failed, inasmuch as it was carried out parallel to--and not countering, when not even

favoring--international economic exploitation: reaffirming the existence of an asymmetric world order and of highly unequal national societies as well as propagating a deforming development model."⁸

Whereas conventional liberal economic wisdom suggests that greater participation in the international economy will encourage economic growth, dependency analysts suggest that the only way true development can occur in an underdeveloped country is for that country to withdraw from the world capitalist system. The main emphasis of writers such as Furtado is that these countries must break out of their dependent relationships. In this respect they disagree with the world systems analysts; although they perceive such a break to be very difficult to effect, for them it is not out of the question. They suggest that developing countries work to become self-sufficient in meeting their basic needs; for example, by diversifying their agricultural sector. Acceptance of foreign aid and investment should be curtailed, and networks of trade with other developing countries are essential.

HOW HAVE WORLD SYSTEMS/DEPENDENCIA ANALYSTS EXPLAINED POLICY SHIFTS IN OTHER DEVELOPING COUNTRIES?

Stravinosi has proposed a pattern which he believes has been followed by most former colonial

possessions since the Second World War. If correct, this would contribute a great deal to explaining Tunisia's brief experiment with self-proclaimed socialism and the subsequent reversal of those policies within a world system framework. Although Stravianos states that in the post-colonial era "the world system is dominated not by class interests but by nationalist considerations," and "far from a world dividing along class lines, it is state frontiers that are decisive and meaningful,"⁹ which would seem to indicate a predisposition towards political explanations of state policies and policy shifts, his is fundamentally a world systems argument. He accepts the center-periphery conceptualization of the world capitalist system and, like Wallerstein, traces its evolution to the 1400s. According to Stravianos, this system determines the path that its members will follow, and events in the periphery--its size, composition, and mode of production--are a reflection of the evolutionary changes in the center.

In the twentieth century, direct worldwide colonialism by the center has given way to neocolonialism via the pathway of revolution and decolonization, which has "ceded political independence but retained direct or indirect economic control over former colonial territories. This economic control was exerted

effectively with the exponential growth after World War II of the giant multinational corporations, which used new technologies to integrate the peripheries more thoroughly into the international market economy."¹⁰

This marks the end of the earlier era of "monopoly capitalism" in the center and the move to "defensive monopoly capitalism." It is the result of changes and contradictions within the center which manifested themselves in "World War I, the Great Depression, World War II, and the post-World War II rivalries among the United States, Western Europe and Japan as well as their common domestic problems after the 1960s of inflation amid recession and unemployment."¹¹ The new aspirations, economic and political, of some segments of the Third World's population--to a large degree the byproduct of the colonial experience and participation in the Second World War--also contributed in putting monopoly capitalism on the defensive.

In the former colonies, according to Stravianos's proposed pattern, all the economic difficulties associated with dependent, peripheral status by the world systems/dependencia schools combine with the spectre of mass unrest as the newly aroused, unattainable popular aspirations move the post-independence governments to

attempt to reject neocolonialism and to institute a form of state capitalism. To quote Stravianos at length:

This was usually effected by coups led by members of the civil or military bureaucracies. Lacking an independent socioeconomic base, they depended primarily on control of the armed forces and state machinery, and therefore ended up usually with a military dictatorship or a one-party state.

The state capitalist regimes were inherently ambivalent. . . . On the one hand, they decreed land reforms, nationalized foreign-owned enterprises, established state industries, welcomed aid from the Soviet Union as well as the Western powers and generally sought to attain economic as well as political independence. On the other hand, the state capitalist regimes rejected Marxist class-struggle ideology and substituted nationalistic forms of "socialism" that rationalized the muzzling of labor to enhance national capital accumulation. Thus state capitalism was weakened by inherent contradictions. It sought to combat foreign capitalism; but at the same time, it repressed and exploited its own workers and peasants. Of necessity it resorted to demagogic ideologic appeals [Arab and African "socialism"] that were intrinsically shallow and ineffective.¹²

The end of these experiments--which may be seen as having served as mechanisms for effecting changes in the periphery required by the world system to accommodate the recent modifications in the center--were inevitable according to the dynamics of world systems/dependencia theory:

Ultimately the state capitalist regimes were overwhelmed by debt overloads, trade deficits, development failures and limited access in Western markets for their industrial and agricultural exports. Hence the ultimate reforging

of foreign economic bonds by financial and international multinational corporations, and by Western-dominated international agencies such as the World Bank and the International Monetary Fund. This general pattern of neo-colonialism to state capitalism to renewed dependence and subordination to the world capitalist order is evident, with many local variations in [India, the Middle East, tropical Africa, and Latin America.]¹³

World systems scholars are primarily concerned with the evolution and functioning of the overall system and less inclined to case study research than are dependencia scholars. The latter do focus their attention on individual countries. However, their discussions of breaking out of the cycle of underdevelopment and dependency are often prescriptive. Where such policies have actually been attempted, the dependencia analysts usually focus on essentially domestic variables for explaining this, e.g., the potential for popular unrest, as in Argentina;¹⁴ the failure of the economy to develop adequately even in dependency terms, as in Mali, Guinea, and Ghana;¹⁵ or the vision of one leader, such as Nyerere of Tanzania and Allende of Chile.

That such domestic factors are seen as adequate explanations for "socialist policies" suggest an important theoretical difference between the world systems and dependencia schools. The former may see these variables as instrumental in effecting the change, but not a sufficient condition, because for them the impetus must

originate in the international system. A dependencia analyst is satisfied by an explanation which shows that domestic conditions were right for an attempt to break its dependent relationship with its specific center country.

HOW WELL DOES THE WORLD SYSTEMS/DEPENDENCIA ANALYSTS FIT THE TUNISIAN CASE?

WAS PRE-1960 TUNISIA A PERIPHERAL COUNTRY?

In order to interpret the policy changes in Tunisia using the world systems/dependencia model it is necessary to demonstrate that the country did conform to the description of a dependent, "peripheral" country. This is a relatively easy task as any of the poor, lesser developed countries which have economic ties to the industrialized capitalist countries are by definition included in the periphery. The distinguishing characteristics of countries of the periphery have been outlined in some detail: the existence of a dual economy, the modern sector of which typically produced primary products for export; non-reciprocal reliance on one main trade partner; a general outflow of wealth from the country, due in part to the relative weakness of its export prices; the existence of a small elite which is economically and sociologically aligned with the center; and a pool of

low-cost labor which, according to Emmanuel, is immobile across national boundaries. Many of these features were found to characterize pre-1960 Tunisia in the preceding chapter.

The data confirms that the external commerce of Tunisia followed the pattern expected of a peripheral country in the world systems/dependencia model. Table 2 (see Chapter I) anticipated concentration of trade with one country, France, during the 1956-1960 "pre-socialist" era. For example, in 1958, two years after its formal independence from France, that country still accounted for 71.5% of Tunisia's imports and took almost 69% of her exports. Although this percentage dropped by a few percentage points over the next five years, it was picked up by other "center" countries, primarily in Europe. Tables 2 and 7 show that Tunisia traded very little with its sister countries of the Maghreb, and almost not at all with the rest of the Arab world and Africa.

As show in Table 7 and Table 8, Tunisia consistently had a balance of trade deficit with Europe in general and France in particular. In keeping with the dependency profile of a peripheral country, Tunisian exports consisted overwhelmingly of agricultural and other primary products, as shown in Table 9. Finished industrial goods never amounted to more than 4% from

TABLE 7

COMPARISON OF TUNISIA'S BALANCE OF TRADE WITH THE MAGHREB AND THE EEC (IN TOTAL MILLIONS)

YEAR	MAGHREB *	E E C	TOTAL BALANCE **
1956	- 1.24	- 24.72	- 28.71
1957	+ 0.28	- 10.23	- 9.17
1958	+ 1.39	- 4.70	- 0.48
1959	+ 1.06	- 4.83	- 4.62
1960	+ 2.76	- 24.21	- 29.83
1961	+ 0.68	- 26.46	- 42.10
1962	+ 0.97	- 24.03	- 42.20
1963	+ 1.88	- 24.10	- 40.74
1964	+ 2.21	- 27.09	- 53.54

* Maghreb as a whole Tunisia actually ran a negative balance with Morocco except for in 1958 and 1964.

** Does not reflect development assistance receipts (especially from the U.S.) which lessened the total deficit.

TABLE 8

VALUE OF TUNISIAN TRADE WITH FRANCE 1957-1964 (IN U.S.\$ 1,000)

YEAR	EXPORTS	IMPORTS	BALANCE
1957	80,960	109,948	- 28,988
1958	99,720	115,905	- 16,185
1959	75,592	105,258	- 29,666
1960	65,668	119,135	- 53,467
1961	63,645	118,740	- 55,095
1962	64,315	119,032	- 54,717
1963	63,276	107,741	- 44,465
1964	70,512	117,394	- 46,882

Source:

Duwaji, Ghazi. Economic Development in Tunisia: The Impact and Course of Government Planning. Praeger, London, 1967, p. 23.

TABLE 9

COMPOSITION OF TUNISIAN EXPORTS (IN TOTAL MILLIONS) *

T Y P E O F G O O D

PRIMARY PRODUCTS & SEMI-MANUF. FINISHED MANUFACTURAL GOODS

YEAR	FOOD-STUFFS	ENERGY	ANIMAL & VEGETABLE MATS	MINERALS	SEMI-MANUF.	AGRICULT. EQUIP.	INDUSTRIAL EQUIP.	CONSUMER GOODS
1956	13.79	0.15	5.19	12.46	6.32	0.06	0.65	0.71
%	35	-	13	32	16	-	2	2
1957	26.46	0.18	5.43	13.21	7.04	0.04	0.84	1.00
%	59	-	10	25	13	-	1	2
1958	37.93	0.02	4.41	13.24	7.42	0.02	0.62	0.85
%	59	-	7	21	11	-	1	1

TABLE 9 (CONTINUED)

YEAR	FOOD- STUFFS	ENERGY	ANIMAL & VEGE- TABLE MATS	MINERALS	SEMI- MANUF.	AGRICULT. EQUIP.	INDUSTR. EQUIP.	CONSUMER GOODS
Val.	35.86	-	4.90	11.72	6.14	0.01	0.41	0.51
1959	-	-	-	-	-	-	-	-
%	60	-	8	20	10	-	1	1
Val.	28.35	-	4.71	10.63	5.51	-	0.50	0.57
1960	-	-	-	-	-	-	-	-
%	60	-	10	21	11	-	1	1
Val.	25.51	-	3.68	10.37	8.87	-	0.40	0.53
1961	-	-	-	-	-	-	-	-
%	55	-	8	22	13	-	1	1
Val.	29.29	0.01	4.05	10.03	4.47	-	0.21	0.64
1962	-	-	-	-	-	-	-	-
%	60	-	8	20	9	-	1	1

TABLE 9 (CONTINUED)

YEAR	FOOD- STUFFS	ENERGY	ANIMAL & VEGE- TABLE MATS	MINERALS	SEMI- MANUF.	AGRICULT. EQUIP.	INDUSTR. EQUIP.	CONSUMER GOODS
Val.	32.31	-	4.02	10.70	4.73	0.01	0.37	0.78
1963 -	-	-	-	-	-	-	-	-
%	61	-	8	20	9	-	0.7	1
Val.	33.78	0.07	4.31	12.48	5.22	0.01	0.28	1.17
1964 -	-	-	-	-	-	-	-	-
%	58.9	0.1	7.5	21.8	9.1	-	0.5	2.1

- = value below 0.005 (negligible or none).

* = figures are rounded.

1956-1964, and generally hovered around 2% of total exports. The largest category of exports was foodstuffs intended for human consumption. By value, Tunisia's leading exports were olive oil and table wines, amounting respectively to approximately 9.59 and 7.86 million dinars in 1961.¹⁶ The second largest category was of unprocessed minerals, and this consisted primarily of ground and other calcium phosphates, valued at approximately 6.5 million dinars in that year. Exports of superphosphates and other phosphate fertilizers (i.e., semiprocessed goods) amounted to 3.5 million dinars.¹⁷

Although trade with the other Maghrebian states was very small, what trade did occur generally resulted in a small but positive balance for Tunisia (see Table 7). This tends to support the dependencia hypothesis that regional trade among peripheral states will result in more equal exchanges. However, the dependencia hypothesis that the terms of trade of a dependent country will tend to erode is not supported by the figures in Table 10. Instead, they seem to have slightly improved on average after independence, dropped to a lower average during the first three years of the decade, and then dropped significantly in 1964, and remained comparatively low for the rest of the decade, although improving somewhat in 1968. Although these figures do not really explain anything by themselves,

TABLE 10

BASIC ECONOMIC DATA FOR TUNISIA: 1952-1970 (U.S. \$1,000)

YEAR	TERMS OF TRADE (1)
1952	98.20
1953	105.80
1954	95.00
1955	92.00
1956	99.00
1957	100.00
1958	107.10
1959	102.20
1960	93.60
1961	100.00
1962	101.00
1963	100.00
1964	81.00
1965	83.70
1966	83.70
1967	88.80
1968	95.20
1969	97.20
1970	95.00

(1) 1963 = 100

Source:

Robana, Abderrahman. The Prospects for an Economic Community in North Africa: Managing Economic Integration in the Maghreb States. Praeger, New York, 1973, pp. 161-162.

there being numerous possible factors influencing fluctuations in a nation's terms of trade, that the pattern observed here does not conform to dependencia expectations does weaken the theory's ability to explain the case under study.

Contrary to Emmanuel's formulation, it is not accurate to assume that the Tunisian labor force is immobile. Migration to France, in particular, but also to Libya, has served as an important outlet for unemployment and as a source of foreign exchange as workers send their wages home to their families. This safety valve began to close in the decade following the "socialist experiment" as demand slowed in Europe and also as a reflection of government policy to control the emigration of skilled labor.

In general, it may be concluded that in an international context Tunisia did fit the world systems/dependencia scenario. It is also necessary according to this scenario to show the existence of an elite which profited economically from the country's position in the international capitalist system, at the expense of the general welfare (i.e., in terms of equity and economic development). Logically, in the world systems/dependencia formulation, this economic elite also tends to correspond to the political elite, as they have "almost

invariably structured their domestic rule on a coalition of internal interests favorable to the international connection" so that "the basic needs of the international order must be respected . . . if this system is to continue to provide the services that the local elites need in order to perpetuate their rule in their turn."¹⁸

That this was the case in Tunisia is not difficult to demonstrate, as it has already been shown in Chapter I that the best agricultural land in Tunisia was disproportionately held by a small number of wealthy Tunisian, "the 5,000 families' 3% of all farmers who owned half of all arable land (and) who constituted the traditional bulk of the Destourian Socialist Party support."¹⁹ The inequality of wealth among Tunisians was exacerbated by the exodus of the colon farmers since, as has already been elaborated at length, although the state acquired a large percentage of colon land, wealthy Tunisian landowners also bought up a sizeable portion of that land, especially during the early years of independence. Also, as it may be recalled, prior to the extension of the cooperative experiment to the north of the country, much of the state-held (large estate) land was rented to these wealthy farmers, who naturally profited from their production for export upon these richest portions of Tunisian agricultural land. The fundamental

inequality of this situation is further emphasized by the realization that these wealthy "farmers" were often actually absentee landlords (see Chapter I).

This pattern of land-holding and agricultural production exacerbated an increasing gap in income between the large-scale farmers and the land-poor peasantry. Furthermore, agricultural production on the large estates was geared to the export market for olive oil and wine grapes rather than for popular domestic consumption. Large-scale production of wine grapes may be seen as especially "inappropriate" in terms of meeting domestic needs in a Moslim country. On the other hand, by 1961 Tunisia was already importing almost 11.3 million dinars worth of wheat, when at one time (in the pre-colonial era) the country had been self-sufficient in that commodity. Tunisia did export, in that same year, 1.6 million dinars worth of wheat grown on the large plantations. Wheat, in the form of semolina, is the staple of the North African diet.

In examining the structure of Tunisian imports in 1961, one finds that the dependencia prediction that valuable foreign exchange is being spent on luxury items destined for the advantaged elite is correct. For example, in that year over 1.7 million dinars each worth of private automobiles and of television and radio sets were imported.²⁰ Over 2.7 million dinars were spent on

clothing, accessories, and hosiery, which may be assumed to consist in large part of the European fashions favored by wealthy Tunisians.²¹

HOW WOULD THIS THEORY EXPLAIN THE EMERGENCE OF A SOCIALIST DEVELOPMENT STRATEGY IN TUNISIA?

THE FIRST SHIFT

The world systems/dependencia approach focuses on explaining why underdevelopment exists and is perpetuated in the "modern world system." Relatively little attention is given to explaining changes in domestic economic policy, in either developed or developing countries. This is particularly the case when such a change in policy in a peripheral country might be perceived, at least at first glance, as an attempt on the part of that country's government to break out of the world capitalist system. There are two possible hypotheses regarding a shift towards "socialism" in a developing country: that the policies represent a genuine attempt on the part of the country to break away from the world capitalist system and end the dependent relationship with its particular "center"; or, that the new policies were merely part of a restructuring of the domestic economy in order to fulfill a new role in the international system.

Thus one possible way of looking at the first shift in Tunisia is to assume that the change in domestic policy was indeed a legitimate attempt on the part of

"Tunisia" (i.e., the government, or some other actor in the position to effect policy change) to break out of its dependent and deleterious relationship with the world capitalist system. (Or, in dependencia terms, to break out of its more specific dependent relation with France.) Orthodox world systems theorists do not consider this a possibility. They view such a strategy as doomed to failure from its inception, as the dynamics of the modern world system preclude any state from escaping its assigned role. The only possibility for genuine, fundamental change would be, according to Wallerstein's formulation, if the current world capitalist system were replaced by a "socialist world government." Even if vested interests in the status quo are overcome, international forces will inevitably prevail. The full weight of the capitalist system will be brought to bear, both directly and through the local allies of international capitalism. The underdeveloped countries are inexorably bound to the "Modern World System."

Although dependencia analysts do not expect an individual underdeveloped country to adopt policies designed to end its dependent status, they would advocate this. From their perspective the underdeveloped countries are harmed more than they are helped by strong integration with the world economy does not materialize.

Not only are the terms of trade of the lesser developed countries' exports vulnerable, but foreign investment is either not as forthcoming as anticipated (especially for the poorest of the countries) or the profits from any such investment are immediately repatriated to the center. Even when economic growth does occur, only a small percentage of the population reaps the rewards.

A more probable hypothesis following from the logic of the world systems/dependencia theory is that the new set of policies in Tunisia were, in actuality, "revisionist"; that is, they were not ultimately designed to break Tunisia out of the world system, but rather to adapt it to changes in the center. A fundamental assumption of both the world systems and the dependencia analysts is that the organization and nature of activity in the periphery reflects the needs of the capitalist world system. This implies that as long as the modern world system remains in place any changes in the periphery occur to meet the changing needs of that system.

That the specific requirements of the world system will vary over time does not contradict the hypothesis that the basic structure and processes of the system remain constant. Wallerstein's work in particular, examining the system over long spans of history, suggest that its long-term viability is a function of its

ability to adapt; furthering the accumulation process by incorporating new areas into the system, thus expanding its markets and deepening commodity production, and accommodating changes in the hierarchy of the actors as they take on new roles to meet long-range systemic needs. This is the also the argument that Stravianos was making.

It must be emphasized that the long-term needs of the capitalist system go beyond the immediately obvious economic concerns of individual center countries. Thus, for example, the 1964 nationalization of all remaining French-owned lands may be viewed in the context of a general restructuring of Tunisia's economy, marking the end of colonial capitalism, in which autonomous local (albeit non-Tunisian) owners of the means of production supply the conlonia center directly with primary commodities. From the world systems/dependencia perspective, it is necessary to ask what changes in the world capitalist system would cause, or at least allow, that country to adopt the kind of policies which it did in the early 1960s.

World systems theory postulates a specific economic role for "semi-peripheral" countries. If the capitalist world system would be better served by a more economically developed, perhaps semi-peripheral, Tunisia then dependencia scholars would argue that some reforms were necessary to put Tunisia into a "take-off" position

for dependent development to occur, ultimately integrating the economy even more profoundly with the international capitalist system. The immediate reasons as to why more state control was necessary are the same as those cited above. The earlier laissez-faire approach had resulted in a situation where all of Tunisia's wealth was being exported or appropriated by a very small native economic elite which did not invest in the productive capabilities of the country.

Under the old policies, industry was unlikely to develop, since the accumulation of capital necessary for investment in infrastructure was absent and agriculture, the basis of the Tunisian economy, was destined to remain largely inefficient and unproductive.

For these reasons, new domestic economic policies were required for Tunisia to meet its potential for dependent development. This does not suggest that the technocrats/intelligentsia who formulated the proposals cynically conceived the new policies with the aim of fostering dependence in the long run and assuring that Tunisia fulfill its new required role in the world system. On the contrary, it is likely that they were unaware of the reforms' inevitable limitations, just as it is probable that the "center" elements in Tunisia did not realize that the (limited) success of the reforms were

ultimately congruent with their interests. It must be reemphasized that the world systems/dependencia theory is highly deterministic, and that the motives and beliefs of individual actors, especially in the periphery, are for the most part irrelevant.

Nor does this interpretation necessarily mean that the reforms themselves were not genuinely "socialist" in character. What it does suggest is that conclusions, which would imply a fundamental break out of the world capitalist system. Those actors, domestic and international, whose economic interests were ultimately at stake were willing to allow the reforms to go just so far as to better Tunisia's capabilities for narrowly defined economic development, to produce for the international system and raise the potential profits coming to an enlarged group of domestic elites and, incidentally, if such were the case, to improve per capita Gross National Product (assuming that the campaign to check population growth was successful). However, these forces could and did put a stop to the reforms when they came close to endangering their vital interests.

Another aspect is that the new policies, many of which were formulated to lessen the country's dependence on France specifically, reflected the decline of the former colonial powers from their position of

predominance in the world capitalist system and the emergence of the United States as the hegemonic core power. Thus Tunisia could be seen as shifting to some degree out of its orbit of France into the orbit of the new hegemon. It may be speculated that the move of a peripheral country to a new center might be facilitated by allowing that country a certain degree of dependent development--in this case dependent on the United States and the international financial agencies which it is presumed, the U.S. effectively controls. That the United States Agency for International Development provided a great deal of financial assistance to Tunisia, and has continued to do so, lends credence to this perhaps unorthodox interpretation of world systems/dependencia theory.

Citing Amin, Chase-Dunn lays the groundwork for this kind of this kind of analysis:

. . . the accumulation process occurs within a certain political framework to the point where that framework is no longer adequate to the scale of world commodity production and distribution. Thus world wars and the rise and fall of hegemonic core powers (Netherlands, Britain, and the United States) can be understood as the violent reorganization of production relations on a world scale, which allows the accumulation process to adjust to its own contradictions and to begin again on a new scale. Political relations among core powers and the [colonies] . . . which are the formal

political structure of core-periphery relations are reorganized in a way which allows the increasing internationalization of capital production. . . .22

No one has ever seriously suggested that Tunisia desired to break out of the world capitalist system, even if that were possible (for example, in conjunction with the other Maghrebian states). Neither Bourguiba, Ben Salah, the trade union, nor any revolutionary movement of the era called for the breaking of relations with the West or for the radical kinds of reforms which would be expected of such an attempt. (See Chapter I for a discussion of Tunisian socialism.) Therefore, it is assumed that "socialist" reforms of a limited nature were instituted because the Tunisian economy was not achieving the levels of development open to it, although the objectives and interests of those conceiving of the reforms and of those "allowing" them to take place were not necessarily congruent. When the reforms came dangerously close to promoting "true" development or to threatening powerful economic interests, they were reversed. International actors such as the United States, France, the World Bank or some combination exerted pressure to reverse the policies. Wealthy landowners, seeing their position threatened, used their considerable political influence not only to halt the progression of the reforms, but to enrich themselves further. Some actors within the

government, possibly Bourguiba himself, ultimately hostile to true reform, may have sabotaged the movement by seeing to it that it be accelerated too quickly and thus insure its downfall.

Following from the world systems/dependencia paradigm's logic, if indeed the socialist policies of the 1960s reflected a change in what the international capitalist system required of Tunisia, then it may be expected that at the end of the experiment there would have been a change in the structure of the economy of the country. That this was the intent of the reforms is suggested in the analysis of at least some leftist scholars who have studied the case. For example, Makhlouf believes that Tunisia's planning policies, interacting with political variables, allowed the country to develop its production capabilities to a much greater extent than would have been possible under a strictly capitalist model, while eschewing any scientific socialist model.²³

Samir Amin makes the same point. Referring to the role of the agricultural cooperatives in particular, he states that they had been:

. . . a forced clubbing-together of all the landowners, thus providing a splendid smoke-screen behind which the richest could exploit all the others more efficiently than ever, with the bureaucracy working to their advantage.

The cooperatives had fulfilled their role, which was to hasten the process of kulakization and could now be dispensed with, leaving a countryside in which wealth was distributed more unevenly than before. . . . The fact is that that there is no contradiction between the development of a state bourgeoisie in the urban center, and a rural bourgeoisie of kulaks. Quite the reverse: this is the most commonly found class alliance in the Third World; the cooperatives, hailed by some as "step towards socialism," can be clearly seen as a form of transition not to socialism but to capitalism.²⁴

The cooperative system has therefore a means for the dominant social class to move the peasant masses into the capitalist mode of production in order to extract from them the surplus necessary to maintenance the increasingly costly administration. The relative failure of the experiment caused the government to increasingly resort to foreign economic aid. That at the end of the cooperative experience, the large landholders had improved their position seems to be beyond dispute. In the first place, they were brought into the cooperative system only at the very end of the experiment and so had never actually participated in it. Secondly, when the cooperative system was dismantled, they were able to purchase the biggest percentage of formerly state-owned and ex-colon land.

The cooperative experience does not appear to have made a significant change in the structure of Tunisian agricultural production. First, because the

traditional sector of increasingly parcelized plots continued to exist, alongside the "modern" sector. Also, although progress had been made during the cooperative era towards diversification of agriculture, afterwards it tended to revert to one-crop (cereal) production. In the final analysis, in this sector of the economy the end result of the experiment was to reinforce the existing patterns.

Two aspects of the policies of the 1960s tend to support the interpretation that "Destourian socialism [was] not an end, but a means: the only possible means in this small and poor country, of accelerating economic development in preparation for the full flowering of a beneficent capitalism."²⁵ First, one of the primary reasons for the formation of the cooperatives, both agricultural and commercial, was to enable the state to tap their revenue for investment in industry. Second, these "socialist" policies were supported by large amounts of financial assistance, particularly from the United States and the International Bank for Reconstruction and Development. The latter, which in a 1965 report²⁶ referred to the policies as "pragmatic" and "sensible," "granted as \$18 million loan to support the development efforts of the producer cooperatives in northern Tunisia"²⁷ in 1969.

The most obvious structural change which might have been expected of the Tunisian economy if it were developing into semi-peripheral status would have been relatively less dependence on primary commodities, especially agriculture, and more emphasis on low-technology, labor-intensive industry. A major goal of the new policies was to develop the Tunisian industrial sector. To that end, the Ten-Year Plan for 1962-1971 predicted a net investment in industry of approximately \$336 billion. "The economy became more diversified in 1962-71. The contribution of agriculture to the Gross Domestic Product declined from 20 percent to 14.5 percent, at constant market prices, reflecting the rising shares of industry and the new sectors of petroleum and tourism. . . . However, agriculture still had the most important impact of Tunisia's economy."²⁸

Thus Table 11 shows that there has been no radical change in the structure of the Tunisian economy. The most significant change was the decrease by almost half of the percentage of value added to the Gross Domestic Product by the agricultural sector, from 29.2% to 15.0% during the period of the "socialist" policies. However, exceptionally unfavorable weather was the direct cause of a 28% fall in the value of agricultural production in 1966 and an additional 7% decrease in 1967.²⁹

TABLE XI

GROSS DOMESTIC PRODUCT BY SECTORS, IN PERCENTS (****) - SELECTED YEARS

S E C T O R S	1950	1959	1960	1970	1973	1977	1981
AGRICULTURE	27.6	30.0	29.2	15.9	16.0	15.5	29.2
MINING AND ENERGY	3.9	4.8	4.5	7.0	6.4	5.6	5.8
MANUFACTURING	9.6	9.4	10.5	7.7	9.1	10.2	11.8
CONSTRUCTION	5.7	4.0	4.8	6.7	5.8	6.2	5.9
TRANSPORTATION *	5.8	6.9	6.8	7.9	5.6	5.8	6.3
COMMERCE AND OTHER **	26.2	19.8	30.7	26.0	18.3	26.0	24.8
TOURISM	-	-	-	2.6	3.0	3.1	3.5

TABLE XI (CONTINUED)

S E C T O R S	1950	1959	1960	1970	1973	1977	1981
GOVERNMENT SALARIES ***	8.5	10.1	6.1	13.7	10.1	13.2	12.9
TOTAL	87.3	95.0	92.6	87.5	84.3	85.6	100.2

- * : 1970 and after, includes telecommunications.
 ** : different sources may have defined this differently ("other").
 *** : 1973 and after, includes "government service."
 **** : totals do not equal 100 because indirect taxes minus subsidies and some residual categories are excluded.

Sources:

Duwaji, Ghazi. Economic Development in Tunisia: The Impact and Course of Government Planning. Praeger, London, 1967, pp. 27-28.

International Monetary Fund. January 9, 1978, p. 2 and April 20, 1981, p. 121.

Furthermore, the share of the mining sector increased by only 2.5% and the share of manufacturing actually decreased during this period. These are the two sectors which world systems/dependencia theory might first expect to increase in importance in a country which is developing dependently, perhaps into semi-peripheral status. Finally, looking ahead to the 1981 position in the composition of Tunisia's Gross Domestic Product, whereas mining and manufacturing had increased their percentage only slightly. The percentage contributed by the commercial and service sector remained constant over the entire period. These figures do not support the hypothesis that the socialist-style policies of the 1960s served to restructure production in Tunisia.

It is very difficult to show, even in retrospect, that the world system required a higher level of economic development in any particular peripheral country, and especially in one as small as Tunisia. The reasons that the system might need such development in the periphery, as outlined above, would include increasing the capacity of the country to absorb surplus investment capital from the center and to create a new market for capitalist production; to allow the country to perform the role of low-cost manufacturer of low-technology production; or to further its ability to provide the core with primary resources.

In the case of Tunisia, it is not evident that the country critical in any of these roles. Although the export of crude oil and of phosphates is important to Tunisia itself as a source of foreign exchange--for example, revenues for crude petroleum exports were over U.S. \$439.9 million in 1978, accounting for nearly 40% of Tunisian export earnings--from the point of view of the importers they are much less important. Tunisian petroleum production is less than 1% of the Middle Eastern total, and although Tunisian phosphate reserves are large--the country is the world's fourth largest exporter of phosphate rock--they are of low quality.

Because of its small size, it is unlikely that Tunisia could ever become of major significance as a market for center production. For example, although France is Tunisia's major supplier country, with approximately 22% of the market, that amounts to only approximately \$715 million in 1984. Nor has Tunisia become an important center for low-technology manufactures. Although the manufacturing sector in Tunisia experienced real growth in the decade after the socialist experiment, the largest segment of that sector is in food processing, mainly for domestic consumption and thus not of any importance to the world capitalist economy. Textile production is the second most important manufacturing

industry, but Tunisia faces severe competition in the European Community, its largest market.

Tunisia has, however served as a promising market for investment on the part of the developed capitalist countries, particularly in relation to its size. Investment laws drafted in the early 1970s actively courted foreign investment, reflecting the new policy orientation. West German, Italian, British, and Dutch investors account for the largest part of new private investment. U.S. private investment in Tunisia as of 1981 was only \$86 million, concentrated mostly in oil-related activities but also including some manufacturing companies. However, although Tunisia has been an attractive target for investment, again by virtue of its size it is not reasonable to argue that by itself it is of critical importance to the advanced capitalist economies.

The above discussion does not negate the world systems/dependencia paradigm, but neither does it prove its veracity. In actuality, the fact that Tunisia's economy is small relative to those of the center countries and not of major importance to any one of them is by definition to be expected of a peripheral country. Although the necessity of a semi-periphery for the maintenance of the world capitalist system makes

intuitive sense, it is difficult to demonstrate concretely the validity of a world systems/dependencia explanation based on systemic exigencies for limited economic development in any specific country. At its present level of sophistication, world systems theory does not appear to have the power to explain why development occurs in one country of the periphery rather than another, especially when that development is the result of a move towards socialization rather than opening the country further as in export promotion strategies.

Since this body of theory does not expect genuine "socialist" change--although dependency theory advocates it--an explanation based on the economic imperatives of the modern world system requires a two-part hypothesis; i.e., the true nature of the new policies was to create in Tunisia the conditions necessary for fulfilling a new role in the world system (dependent development) and that the world system did require this new role from Tunisia. Although the first assumption appears to be true--the new policies were actually reformist in nature rather than radical--the validity of the second is inconclusive, and probably impossible to prove or disprove.

It is also possible that the first policy shift was related to the presumed stabilizing function which

world systems theory attributes to the semi-periphery in addition to its specific economic role. How this works is never adequately explained in the literature. However, it seems that never adequately explained in the literature. However, it seems that political stability is maintained in the periphery by allowing a few countries to profit to a limited degree from their participation in the system. According to Wallerstein, "these middle areas . . . partially deflect the political pressures which groups primarily located in peripheral areas might otherwise direct against core-states and the groups which operate within and through their state machineries."³⁰

Again, for this type of explanation to apply to the first policy shift in Tunisia a two-part hypothesis is required: that the "socialist" policies caused Tunisia to develop dependently into a semi-peripheral economy; and that a politically stable Tunisia was important to the capitalist world system, or at least to the region. An underlying assumption is that the policies created more economic well-being, and that this fosters political stability. The fact that Tunisia had relatively little in economic terms to offer is not particularly important assuming that its true value to the

capitalist world system lies in its strategic location, pro-West policies, and (until the present decade) stable government.

Although all of these characteristics are readily evident, in the absence of a well-defined role for the semi-periphery in maintaining the stability of the system, it is even more difficult to demonstrate conclusively what the world system's interests might have been in promoting a stable Tunisia. In other words, it is necessary to identify in retrospect potential threats to the political and social stability of Tunisia, and their possible negative ramifications for the world capitalist system. Ben Salah himself suggested that reforms were designed to prevent a further Marxist revolution.³¹

Makhlouf (1976) agrees with this analysis, suggesting that the previous social reforms--particularly in education--led to a demand for higher levels of economic development, particularly on the part of the younger generation, which had the potential for overturning the political equilibrium of the society, and that the necessity of responding to these needs became apparent at all levels.

In the long term, the policies of the 1960s may have given Tunisia the requisite base from which to achieve higher levels of development and so,

theoretically, greater levels of stability, although the social unrest of 1979 and 1984 tends to negate this. However, the principal argument against this explanation is that in the short term the policies were the cause of instability as they were opposed both by elite vested interests and by the peasantry they were supposed to help. It is stretching the world systems/dependencia theory too far to suggest that the first shift might have occurred in anticipation of instability in the distant future, upsetting the current social order.

The third and final interpretation of the world systems/dependencia theory to explain the first policy shift in Tunisia is the scenario in which the United States emerged as the hegemonic core power, and that the events in Tunisia occurred in response to this new reality. Thus the cooperatives were the Tunisian government's short-term method of managing former French-owned lands as these were abandoned by the colonists. In 1964 the government nationalized all remaining foreign-held lands, presumably reflecting the declining position of the former colonial power. When France retaliated by withdrawing all foreign assistance, the United States and its (it is presumed) agent, the World Bank, stepped in to fill the gap. Thus economic ties to France were

weakened while new ones were forged with the United States.

The United States for International Development's large influence during this period and after support this hypothesis. However, if it were the case that Tunisia had moved out of France's orbit into a new orbit of the United States then it is expected that this pattern would have persisted. Instead, the cessation of French assistance was only temporary. Total official bilateral assistance to Tunisia for the period 1978-1983 amounted to \$382.1 million. This figure is well ahead of the U.S. total of \$94.0 million. Bilateral assistance from the Federal Republic of Germany was only slightly less than that of France, totaling \$332.0 million.³²

Furthermore, Table 2 shows that although Tunisian foreign trade did become less dependent upon France, that country still remained Tunisia's most important trading partner. For example, whereas France accounted for 59.5% of Tunisian imports and 52.2% of exports in 1960, those figures dropped to 36.0% and 19.3% respectively in 1971. However, most of this was taken up by other European countries, particularly Italy and Germany. Imports from the United States grew from 7.9% in 1960 to only 14.6% in 1971, and that figure dropped to 8.2% over the next three years. Furthermore, the U.S.

took only 4.5% of Tunisia's exports in 1971. Therefore, it is not possible to conclude that, in the context of its economic relationships, Tunisia has become a satellite of the United States.

THE SECOND SHIFT

In attempting to analyze the second policy shift, it is important to avoid the trap of explaining the "failure" of the socialist-style policies as if that were equivalent to explaining the reversal of those policies. That is, it would be easy to argue that the policies were reversed because they "failed"; because they were economically unviable and did not produce the desired results. Indeed, this may be the case, as a market analysis would argue. However, this explanation is unsatisfactory from a world systems/dependencia perspective. The more fundamental question is "why did the experiment fail?" What factors determined that the policies would not bring about satisfactory economic development? What caused the agricultural cooperatives, for example, to be economically unviable, if such were the case? In this discussion of the world systems/dependencia perspective, it becomes obvious that in explaining why a socialist strategy would not be allowed to be successful, the analysis also explains why the

policy would be changed. Presumably, the same forces capable of sabotaging true reform would also be the force behind the change to policies more favorable to their interests.

Dependencia analysts offer substantially the same reasons as world systems scholars for the reversal of the policies, although the process is less mechanistic. Most important is the "resistance of the centers to change in the status quo," according to Prebisch, "not only to the center-periphery relationship but also to important structural changes within the centers.

Immediate interests prevail and when the periphery, rightly or not, hurts these economic or political interests, the center--especially the dynamic center--frequently react with punitive measures; in extreme cases even with military intervention."³³ Capital will be denied to the country when its profitability is threatened. Local landowners and capitalists will seek to protect their interests by blocking land reform and any measures which encourage development other than the "dependent" kind which further enriches them. Another factor which might preclude the success of the reforms would be the failure to adequately mobilize the peasantry and the workers. More explicitly, Marxist interpretations would, of course, focus on the lack of class consciousness among

these groups. Presumably, as in Mali, "elite" forces would be at work here, blocking the kind of "revolution" (not necessarily political, but rather in patterns of thinking) required for change to occur.³⁴

Amin's analysis of the policies of Ghana after 1961³⁵ illustrates the difficulty of financing "socialist" development. Third-World countries have limited choices as to how to pay for their industrialization. Foreign financing (investments, grants, and loans) must be eschewed; yet the traditional source of export earnings, their primary products, generally have low price elasticities and face many competitors for non-expanding markets. Low prices cannot be remedied by trading with the communist countries since they follow the same pricing system. Public expenditures for infrastructure has caused government deficits and inflation, leading back to reliance on foreign capital.

The world systems/dependencia paradigm explicitly predicts that socialist movements in the periphery will be defeated and "liberal" economic policies favoring the interests of international capitalism will be encouraged. One possible caveat must first be pointed out. Although the world systems/dependencia theory assumes that liberal economic policies in the periphery will protect or further the interests of the center countries, that the

mechanism for policy change in that direction be the domestic economic elite is easily accommodated by this theory. As political and economic elites are often one and the same, that domestic elites were able to overturn policies which threatened their economic interests--and thus their power base--is also predicted by the "domestic politics" explanation. Therefore, it is important that the international connection be demonstrated in order for the world systems/dependencia explanation to be considered valid.

The role of elite domestic economic interests in overturning the socialist policies in Tunisia is readily evident. As the most important elite economic interest group (or class) in Tunisia is based on land ownership, it is unsurprising that the dismantling of the socialist policies should begin in the agricultural sector. "it is clear . . . that the revolutionary character of the cooperative scheme had alienated a significant stratum of the landed commercial bourgeoisie--the '4,000 families,' 3 percent of all farmers who owned half of all arable land--who constituted the traditional bulk of the Destourian Socialist Party support." "When Ben Salah's cooperative scheme extended beyond the former French-dominated regions into the Sahel and threatened ties in Tunis and the

government, opposition to Ben Salah became more directly political."³⁶ The most notable example of "personal ties" is the wealthy landed family of Wassila Bourguiba. Madame Bourguiba is reputed to have been the leader of the group surrounding the president which opposed the new policies.

It is true that there was widespread opposition to the cooperatives among the peasantry (as there was among the commercial retailers who were also cooperativized), but this opposition was passive rather than active. The Tunisian peasantry, "politically inarticulate as a group, stratum, or class,"³⁷ was powerless to halt the movement. This may be seen from the relatively smooth implementation of the agricultural reforms up to the generalization of the cooperatives to include the large landholders in 1969. Needless to say, neither was the peasantry adequately mobilized to perceive the potential long-term advantages of the reforms to them as a class, and thus to override the opposition of the powerful economic interests.

It is, in fact, probable that these interests were behind what resistance was shown to the movement on the part of the peasantry. For example, prior to 1969 there were two demonstrations, one at Kairoun and the other at Msaken, in the region of Sousse. The first was not

actually a demonstration against the cooperatives per se, but rather against the practices of the local authorities. Msaken, on the other hand, is an important village in the Sahel, and the base of many important, rich farmers. The demonstration there was against the entire spectrum of agricultural reform, even including the service cooperatives. Although none of the wealthy farmers were actually observed at the demonstration, they were responsible for its organization. The most serious demonstration against the policies occurred in Ouardine in January 1969. There it has been suggested³⁸ that the riots were deliberately provoked by the Farhad family, which was the most important family in the region and which was represented by two of its members in Bourguiba's cabinet.

Although the opposition of the wealthy landed class rapidly crystalized with the decision to incorporate all farmlands into the cooperative system, it had begun to develop much earlier. The establishment of cooperatives on the colon farms meant that the larger Tunisian farmers would not be able to acquire this land for themselves, land which, until then, they had been renting from the government. Furthermore, the inclusion of the small peasant plots into the new system represented a loss in revenue for the large farmers,

as they had previously rented farming equipment to the small farmers.³⁹

For leftist analysts of the events in Tunisia, the government's efforts to maintain class harmony at all costs out of fear of the masses, and to safeguarding the interests of the economic elite, explain the failure to mobilize the former to the task of socialist development, and of the latter to assure that the Tunisian economy remain fundamentally capitalistic. However, there seems to be little doubt that foreign interests also played a role in keeping Tunisia dependent and on the capitalist path.

International pressure has been recognized by a wide variety of analysts as a factor in ending the socialist policies. Access to foreign markets does not appear to have been the major issue; the main leverage that the international capitalist system had upon Tunisia was the country's heavy dependence on foreign financing for its development plans and projects.

The Ten-Year Perspective foresaw that 68% of its ambitious investment program would come from domestic sources, and that a not inconsiderable 32% would come from foreign financing. However, this was based on the assumption of a 6% growth in the Gross Domestic Product and an increase in the national rate of savings to reach

26% of the Gross Domestic Product. Neither figure was realizable, and so the government turned to foreign injections of capital to finance the large industrial projects. "The American contribution has accounted for most of the aid paid to the government, which [rose] steadily from 17 million dinars in 1960 . . . to almost 51 million in 1967 . . . and for the large part of private foreign investment, which rose from 12 million in 1960 to 34 million in 1967."⁴⁰ This foreign financing turned out to be both highly conditional and expensive. Most was in the form of loans, so that at the end of the "socialist" era Tunisia figured among the most indebted nations of the world, its debt service ratio reaching 27% in 1970.

In an attempt to attract foreign credit, Tunisia instituted a stabilization program and devaluation of the dinar in 1964. This was the first major example of the country yielding to international pressure; the second was, of course, the promise to "the World Bank that it would not extend the land reform beyond the north of the country."⁴¹ The stabilization program was accompanied by an International Monetary Fund loan in the amount of \$14.25 million. The growth of government funds made available to agriculture through the Agricultural Bank in 1968 and 1969, from 9,464 thousand dinars in 1967 to

12,666 thousand dinars in 1968 and 14,869 thousand dinars in 1969, was mostly due to loans from the International Development Association and the International Bank for Reconstruction and Development, the latter exercising its influence over credit policy through its bureau of contro in Tunis.

Although Ben Salah himself does not believe that the International Bank for Reconstruction and Development had anything to do with the reversal of the reforms, and received assurances from the Bank to that effect, "it is difficult to believe that the World Bank had nothing to do with the dramatic change of agricultural policy in Tunisia after the beginning of 1969. A clear indication to the effect that the World Bank was implicated was actually given in L'Action 3 October 1969, where an earlier report from the Bank was quoted as severely critical of the state of agricultural reform in May and June. And L'Action, 26 and 27 October, reports the "greatest satisfaction" of the World Bank's consultative group for Tunisia with the new and more moderate agricultural policies applied after September of that year."⁴²

Until the radicalization of the reforms, therefore, the International Bank for Reconstruction and Development as well as the United States Agency for

International Development reported favorably upon the progress of Tunisian economic policy. However, a 1969 International Bank for Reconstruction and Development report, reportedly requested by Ben Sâlah, is credited by many sources with having dealt the final blow to the cooperative movement, with the International Bank for Reconstruction and Development also refusing to finance the newly created cooperatives. (A critical report written by a study team from Harvard University at approximately the same time is also considered to have influenced the decision.)

Since the end of the experiment, Tunisia has continued to rely heavily upon foreign financing, public as well as private. The liberalized economic policies of the post-cooperative era are approvingly cited by both U.S. and World Bank publications, despite its growing trade deficit (approximately \$1.1 billion in 1979) and debt service ratio (31.8% in 1982). Tunisian investment laws (of 1972 and 1974) have offered highly favorable terms to foreign investors. Thus the above discussion would strongly support the world system/dependencia interpretation of the second shift.

NOTES

¹Other major "economics-based" theories are the Marxist/Leninist, "conservative" (or mercantile), and the liberal schools.

²Within the parameters of each of these theories the existence of "imperialism" in the relationship between the advanced capitalist and the underdeveloped countries has been acknowledged, and an explanation of this phenomenon has been offered. That the world systems/dependencia perspective shares some basic assumptions with other economic theories of international relations does not suggest that it reaches the same conclusions; although in the case of the conservative and world systems' explanations of imperialism, it may be convincingly argued that they do indeed reach the same conclusions, albeit with different value judgments. See Karl W. Deutsch. "Theories of Imperialism and Neocolonialism," in Rosen, Steven J. and Kurth, James R., Testing Theories of Economic Imperialism. D. C. Heath and Co., Lexington, Massachusetts, 1974, pp. 15-33.

³The liberal approach, in particular, does look at some sociocultural factors to explain certain aspects of underdevelopment; this does not contradict the assertion that economic factors motivate international nor even national actors.

⁴The world systems and dependencia analysts place more emphasis on this system, and have developed the concept to a higher degree in accordance with their theory. But the liberal and conservative, and naturally the Marxist/Leninist conceptualizations also assume the existence of an international network of economic linkages. One difference is that the liberal approach does not perceive that system to be necessarily deterministic, whereas the others do.

⁵Aghiri Emmanuel. Unequal Exchange: A Study of the Imperialism of Trade. Monthly Press Review, New York, 1972.

⁶Thomas J. Biersteker. "The Illusion of State Power: Transnational Corporations and the Naturalizing of Host-Country Legislation." Journal of Peace Research, No. 3, Volume XVII (1980): 108.

⁷Leopold S. Stravianos. Global Rift. Morrow and Co., New York (1981): 30.

⁸F. H. Cardoso. "Towards Another Development," in Nerfin, M., ed. Another Development: Approaches and Strategies. The Dag Hammerskold Foundation, Uppsala, 1977, p. 32.

⁹Stravianos. Op. cit., p. 631.

¹⁰Ibid., p. 42.

¹¹Ibid.

¹²Ibid., p. 631.

¹³Ibid., pp. 631-632.

¹⁴See Fernando Henrique Cardoso and Enzo Faletto. Dependency and Development in Latin America. University of California Press, Berkeley, 1979, p. 129 and pp. 132-137.

¹⁵See Samir Amin. Neo-Colonialism in West Africa. Penguin Books, Middlesex, England, 1973, pp. 226-250.

¹⁶Republic of Tunisia. The Economic Yearbook of Tunisia. Tunis, 1964, p. 49.

¹⁷Ibid. Note: Phosphate is Tunisia's major mineral resource, as it is of Morocco. (Although Morocco is far richer in phosphate.) Tunisia also exported iron, lead, and some zinc and copper, but none in enormous quantities. Petroleum became important to the Tunisian economy only after the time frame of this research.

¹⁸T. Smith. "The Underdevelopment of Development Literature: The Case of Dependency Theory." World Politics, Volume 31 (January 1979): 251.

¹⁹J. P. Entelis. Comparative Politics of North Africa: Algeria, Morocco, and Tunisia. Syracuse University Press, Syracuse, New York (1980): 159.

²⁰These and the following 1962 export figures are taken from The Economic Yearbook of Tunisia, 1964. Op. cit., pp. 50-51.

²¹Today designer fashions, especially Italian, are in vogue among the upper class, and those who can afford to (including some from the middle class) make periodic shopping pilgrimages to Rome.

²²C. Chase-Dunn. "Interstate System and Capitalist World Economy," in Hollist, L. and Rosenau, J., eds. World Systems Structure. Sage, 1981, p. 34.

²³Ezzedine Makhlouf. "Political and Technical Factors in Agricultural Collectivization in Tunisia," in Nask, et al., eds. Popular Participation in Social Change. The Hague: Mouton, 1976.

²⁴Samir Amin. The Maghreb in the Modern World. Penguin Books, Middlesex, England, 1970, p. 203.

²⁵Ibid., p. 302.

²⁶International Bank for Reconstruction and Development/International Development Association. Review of 1965-1968 Development Plan: Tunisia, Volume 1, November 22, 1965).

²⁷Lars Rudebeck. "Developmental Pressure and Political Limits: A Tunisian Example." The Journal of Modern African Studies, Volume 8, No. 2 (1970): 191.

²⁸The International Monetary Fund Survey, February 12, 1973, p. 42.

²⁹Anthony Sylvester. Tunisia. The Bodley Head Company, LTD, London, 1969.

³⁰Immanuel Wallerstein. The Modern World System. Academic Press, Inc., New York, 1976, p. 232.

³¹Interview with Ahmed Ben Salah, February 16, 1984. He believes "Tunisian socialism" to be the result of the meeting of two kinds of belief systems; that personified by himself, being of the trade union movement and another, younger generation. It was his interpretation at the time, as it is at the present, that only such a meeting

could produce this kind of socialism, the object of which was to prevent the country from adopting "certain other options," i.e., to prevent a Marxist or "some confused Arabic" revolution in Tunisia. He emphasizes that he was not and is not a Marxist, and that he knows that Bourguiba was not and is not a Marxist.

³²United States Agency for International Development. Congressional Presentation: Fiscal Year 1986. Annex IV, Near East, p. 147.

³³Raul Prebisch. "Five Stages in my Thinking on Development," in Meir, Gerald M. and Sers, Dudley, eds. Pioneers in Development, The World Bank. Oxford. University Press, Washington, D.C., 1984, p. 190.

³⁴Amin, 1973. Op. cit., p. 229.

³⁵Ibid., pp. 240-250.

³⁶John P. Entelis. Comparative Politics of North Africa: Algeria, Morocco, and Tunisia. Syracuse University Press, Syracuse, New York, 1980, pp. 159 and 136.

³⁷Rudebeck. Op. cit., p. 185.

³⁸Interview with Ahmed Ben Salah, February 14, 1984, Laussane, Switzerland.

³⁹Makhlouf. Op. cit.

⁴⁰Amin. Op. cit., p. 162.

⁴¹Elbaki Hermassi. Leadership and Development in North Africa: A Comparative Study. University of California Press, Berkeley, 1972, p. 181.

⁴²Rudebeck. Op. cit., p. 175.

CHAPTER V

CONCLUSIONS

This study examines three important perspectives of international relations and attempts to assess their ability to explain two key policy shifts in Tunisia. In 1961 Tunisia embarked on a nine-year "socialist experiment" before returning to liberal, market-oriented policies favoring capitalist development. Tunisian "socialism" was found to be an example of the "developmental socialism" which was adopted by many underdeveloped countries, particularly in Africa, during the 1960s. In Tunisia, as elsewhere, "developmental socialism" emphasized centralized economic planning and a closing of the domestic economy to international market forces. Import-substitution strategies were adopted in an attempt to begin the process of industrialization. The agricultural sector was to be an important source of finance for the industrial infrastructure. This was to be accomplished through the cooperative system, allowing the state to appropriate agricultural profits for investment. The cooperative system has also intended to make the stagnating agricultural sector more efficient and

productive. The shift back was highlighted by the virtual abandonment of the cooperative system, and a renewed opening of the Tunisian economy to market forces. In particular, private foreign investment was now actively encouraged.

The major conclusion of this research is that although the world systems/dependencia argument cannot by itself explain economic policy is formulated and executed. The world systems/dependencia argument is distinguished from the others at the most basic level by its assumption that economic phenomena are the most important variables for explaining events in the international system and within the nation-states of which the system is composed. The world systems/dependencia theory is one among several which takes this assumption as its point of departure. It was chosen for study because it represents an elegant attempt to develop an economics-based general theory of international relations, and because of its widespread acceptance among policy makers in the developing countries.¹

The world systems/dependencia does not expect that developing countries will adopt "socialist" policies which threaten the interests of the advanced capitalist states, making them less dependent on foreign capital and markets. However, insofar as "developmental

socialism" in Tunisia (and elsewhere) is viewed as revisionist, not truly socialist, then the world systems/dependencia analysis would not necessarily view it as a threat to the system. By extrapolating from some of the theory's key concepts--the need for a semi-periphery, for example--it is possible to view the events in Tunisia as consistent with world systems/dependencia logic. To some degree, this is a "hindsight" approach involving a significant degree of theoretical reinterpretation and open to the charge of fitting the theory to the facts. Yet the seeds for a world systems/dependencia explanation of the first shift do exist in the literature.

Evolutionary change in the center resulted in the end of formal colonialism. Due largely to domestic political factors in the periphery, formal foreign ownership was rejected. "Developmental socialism," often barely distinguishable from state capitalism, was adopted at this time by many developing countries, including Tunisia. These policies allowed the country to restructure its economy for a new role in the international capitalist system:

Thus Ben Salah's planning phase can be regarded as the means by which the infrastructure of Tunisia was built up at public expense, for the use of private capital, which could then develop without further risk to itself. At the precise moment when this stage was reached, the process

was halted and turned back in the opposite direction. The cost was borne by the small peasants and artisans, and especially by the working class: the omnipresence of the party, and especially its control over the trade unions, the absence of any opposition, and the close links between the interests of capital and a handful of leading party families combined to turn Tunisia almost overnight into an ideal location for low wage production and a model of dependent capitalist underdevelopment.²

Despite the efforts to finance the development policies from domestic sources, the investment required was beyond the country's real capabilities and Tunisia inevitably turned to deficit financing and foreign assistance. As Stravianos and Amin have (independently) observed in other countries which adopted similar strategies, Tunisia ultimately had to face the inherent limitations of the policies (debt, trade deficits, development failures, and limited markets for industrial and agricultural exports.) The second shift marked the reforging of economic bonds (via financial and international multinational corporations and international financial organizations such as the International Bank for Reconstruction and Development and the International Monetary Fund), with the international capitalist system on an even more profound level than before. Thus the economy of post-"socialist" Tunisia was still vulnerable to forces largely beyond domestic control. For

example, drought (the economy remains heavily dependent on agriculture), lower phosphate prices, and a decline in tourism contributed to the disappointing 4.1% growth in real Gross Domestic Product in the first year of the Fifth Development Plan (1977-1981).

The world systems/dependencia perspective therefore accurately describes a world in which the lesser developed countries are permanently regulated to an inferior status relative to the advanced industrial states because their comparative advantage will always be in products which are technologically one step behind. Yet change in the center does present opportunities for change in the periphery, in particular for the development of low-technology industrial production. The world systems/dependencia theory is not as successful in predicting which individual peripheral economy will restructure its economy in response to these evolutionary changes; it must be supplemented by the "domestic politics" and "international politics" explanations.

Although world systems/dependencia theory has predicted the failure of the developing countries to disengage from the capitalist world economy, it ignores the reality of socialist policies such as those adopted in Tunisia in the 1960s in many Third-World countries--not all of which have ended in reversal. In order to better

understand such policy shifts, a world systems analyst must turn to the work of scholars such as Hamilton and Skopal who propose domestic conditions under which states may have greater latitude for effecting economic change, albeit circumscribed by the international capitalist system. If the world systems/dependencia theory is autonomous behavior in the developing world, it will become much more powerful.

Tony Smith has argued that the ability of the world economic system to influence individual countries' economic policy choices has been vastly overstated. He believes that the western economic giants have not, and could not, impose policies on the developing countries today:

This is not to deny that northern power is real in the South, nor to dispute that its effects may be to reinforce the established order of rank and privilege there, nor to suggest that imperialism is a term altogether lacking in meaning today. But it is to assert that dependency theory has systematically underestimated the real influence of the South over its own affairs, and to point out the irony of nationalists who have forgotten their own national histories.³

Smith is among those scholars who believe that the role of the state itself--its organizational structure and power within its own society--has been wrongly de-emphasized. Especially with the end of direct colonialism, the ability of foreign interests to interfere has

been substantially reduced, precisely because of indigenous control of the state apparatus conferred with formal independence.

Moreover, the power capacity of local interests and the state tends to grow as local bureaucrats in the government and the army, jealous of their positions, show themselves likely to act on behalf of foreigners only when such behavior coincides with their own interests. Thus no matter how great the diversity among southern countries, they almost all have a state apparatus that depends on the aggregation of at least some local interests and is possessed of the ability to take at least some initiatives in regard to domestic and international issues.⁴

The domestic politics hypothesis focused on the role of the state, in particular its strength or weakness vis-a-vis its own society, in determining economic policy. It was found that the single-party system developed in Tunisia under Bourguiba's leadership provided the country with a strong base from which to formulate economic development goals and to launch the economic reforms deemed necessary by the "modernizing elite" to achieve these goals.

The state's strength was obtained by a process of neutralizing potential sources of opposition (by elimination or co-option), the symbiosis of party and overnment which extended to the local level, the nature of Tunisian decision making which gave the appearance of unanimity on policy, and the extraordinary mobilization

effort of the government to promote the war against underdevelopment backed by the president's considerable personal prestige. An important aspect of this strategy, until 1969, was to avoid overly antagonizing the landed class, the historical basis of the Neo-Destour party. The state was apparently strong enough to institute economic reforms against the immediate interests of all other potential opposition groups. In fact, it was able to impose policies contrary to the vested interests of the landed class--e.g., the decision to turn ex-colon farms into cooperatives rather than allow them to be acquired privately--up to a point. But the state was not strong enough to succeed in changing the structure of Tunisian agriculture when the vital interests of the landed elite were involved.

Once the unanimity of the state was destroyed, most of the other aspects of Tunisian economic policy were also reversed to reflect the interests of other groups, notably the commercial sector, international investors, and the (small landed) peasantry. The actual long-term interest of the latter group in ending the experiment is debatable, but certainly the peasants perceived the policies to be against their interests as amply demonstrated by their behavior.

Bourguiba himself, though a source of strength for the Tunisian state especially during the early years of independence, was also its greatest weakness. This is because the state was, in the final analysis, weak vis-à-vis the president. By implication, any group which managed to convince the president of its position was in a strong position to influence Tunisian policy. Ben Salah, in effect did just that. So, ultimately, did the antireform elements which formed part of the president's circle of intimates. An extreme example occurred after the end of the reforms when Foreign Minister Masmoudi convinced Bourguiba to sign an agreement to merge the country with Libya. (Prime Minister Nouira, hurriedly returned from abroad, apparently convinced the president to abrogate the agreement.) Such a one-man, one-party government provides obvious, perhaps indispensable, advantages to an underdeveloped, resource-poor country recovering from the experience of colonization. However, it also means that state policy will be vulnerable to the political concerns of the ruling regime. In other words, there are at least some elements of Bourguiba's personal political interests involved in the manner in which the policies of the 1960s were dismantled and aggressively discredited along with their sponsor, Ben Salah.

The "international politics" explanation focused on the ability of competing states, more powerful than Tunisia, to influence events and state behavior. It was concluded that the bipolar model was not relevant to the policy shifts, or at least not directly in terms of active U.S.- Soviet competition for influence over the country. The U.S.S.R. has had negligible influence over Tunisia, which remains firmly associated with the West. North Africa was not (and is not) the Soviet Union's first geographical priority. Furthermore, given its unwillingness to provide the massive levels of development assistance which Tunisia seemed to require, the Soviets undoubtedly had no expectations of wooing the country away from the West. However, it is also undoubtedly had no expectations of wooing the country away from the West. However, it is also undoubtedly true that the high levels of economic assistance which Tunisia received from the United States were related to its strongly pro-American stance: the U.S.'s interests (or perceived interest) in keeping Tunisia in its sphere of influence, and Tunisia's interest in obtaining financing from the United States and also its implicit military protection. Thus an article in Le Monde published immediately after the second policy shift asserts:

To say that the Americans are imperialists is, for Mr. Bourguiba, a slogan without meaning. The United States has aided Tunisia during the

difficult years (the Algerian War, the crisis with France) which preceded and followed independence, and is still giving it aid. Moreover, this "big brother" is not so encumbering: there are no American military bases, for example, in Tunisia. [But] everyone knows . . . that this small country, apparently fragile, has for its best friend the greatest power on earth: this is enough for Mr. Bourguiba, and this explains why he approves of all aspects of American policy, including the war in Vietnam.⁵

That American development assistance increased during the socialist era, inconsistent with world systems expectations based on economic concerns, reflects the importance of political variables. It also underscores the possibility of greater latitude on domestic economic policy issues (even when the country is heavily dependent on international financial flows) as long as political considerations are respected. The U.S.'s interest in Tunisia also reflected a competition for influence with France, the one power in ascendancy, the other in decline. France, more than the U.S., gave and rescinded support for Tunisia's economic development policies in reaction to political variables. However, as shown by the Tunisian case, in their dealings with multilateral assistance organizations, the developing countries may find that they are faced with stricter limitations on the economic policies they may follow. This is because these organizations are presumably not directly influenced by political interests as are individual nation-states.

This, however, only explains why international forces would not block the adoption of socialist-style policies in a developing country. It does not explain why the policy makers would arrive at this choice in the first place. Although the results have been disappointing, conventional wisdom in the 1960s and 1970s suggested that some form of development planning in the 1960s was a virtual necessity for any country seriously attempting economic development in the modern world.⁶ The Ivory Coast and Kenya, for example, considered model cases of capitalist development in Africa, uses the tool of planning. (Tunisia has continued to create plans at five-year intervals.)⁷ Yet Tunisia went beyond this "pragmatic" approach, choosing to emphasize the socialist nature of its planning, as shown by the renaming of the party to the Parti Socialiste Destourien. It went beyond mere planning by adopting more aggressively socialist policies, notably the cooperativization of the agricultural and commercial sectors of the economy. The decision to cooperativize agriculture, though suggested to some extent by the example of foreign models, cannot be said to have resulted from international pressure. Logically, any international pressure on this matter would have been for selling the settler lands privately, as in Kenya.

Regional (subsystemic) international factors were probably more important in Tunisia's decision to specifically adopt "socialism" as its ideology. First, there was the example of "socialistic" regional powers to contend with; i.e., Egypt and Algeria. Tunisia found itself in the position of a small ex-colony trying to hold its own against more powerful and more radical neighbors. The power struggles which take place within the subsystems to which Tunisia belongs are much more important and real to that (or any Third-world) country than is the superpower rivalry. However, it is the conclusion of this study that even regional political consideration was at most the only contributing factor to the two policy shifts, and not the determining variable.

International pressures did play a significant role in the reversal of the socialist policies in Tunisia. In 1969 the World Bank became critical of some aspects of the cooperative movement, and their report apparently influenced Bourguiba's thinking on the policies. French hostility to the program after the 1964 nationalization of foreign-held land was another variable. Still, a complete reversal of the policies was not necessary to satisfy international opposition. The French relationship was already being restored. For political reasons, the U.S. was likely to continue to furnish

economic assistance despite the domestic economic policies, and the International Bank for Reconstruction and Development would have accepted modifications. It is possible that the Tunisian leadership, particularly Bourguiba, allowed itself to be influenced by foreign opinion more than was strictly necessary.⁸ Of course, the world systems perspective would interpret the same evidence of international coercion as supporting that theory, and be unsurprised by the complete reversal.

It is impossible to state with certainty what might have happened in Tunisia had the socialist orientation been retained. It is most unlikely that the powerful landed class would ever have been successfully incorporated into the neo-Destour regime, even if the state had implemented the reforms in a more judicious fashion. Yet that sector of agriculture was crucial to the long-term development goals of the state. It may be hypothesized that the only way the socialist policies could have followed through to their logical conclusion would have been through a major regime change in the country, perhaps a "revolution" from below. But in the 1960s the conditions for this did not exist.

The situation at the present time is different. Tunisia's capitalist development policies, in conjunction with favorable agricultural seasons, resulted in impressive

growth rates during the 1970s. But in the 1980s, the country has entered a period of political and economic crises. The country has lived beyond its means, and now faces the politically difficult prospect of instituting austerity policies (of which the 1984 "bread riots" are a result). Tunisia finds itself increasingly excluded from its traditional European agricultural market, particularly for olive oil, its most important agricultural commodity, with scant possibility of finding new markets in the Arab East or increasing its share of the Maghrebian market. Politically, the rigidities of Bourguiba's neo-Destour regime has closed the channels for "legitimate" dissent. (The legalization of other political parties was a cosmetic change, widely recognized as such by the politically aware population.) By preventing the development of any potential rivals to Bourguiba's personal power, the question of succession is highly problematic. The president is very close to 90 years old. As long as he is alive, an uneasy status quo is likely to prevail. After his passing, however, the possibility of a major upheaval, even a fundamentalist-military revolution, cannot be excluded.

Several questions have been suggested by this study which could not be addressed here. It is suggested that these issues are interesting candidates for further

research. Most important among these is the market analysis question, which suggests that changes in markets will result in changes in government policies (see Chapter I). Thus how would neo-classical economics explain Tunisia's stagnating economy at the end of the 1960s? What alternatives would it offer to the approach Tunisia took to the 1960s? What alternatives would it offer to the approach Tunisia took to remedy the situation? What is the market explanation for the collapse of the cooperative program in 1969? Finally, why would a liberal economics approach be assumed to work in the 1970s and beyond, when it had failed in the 1950s; does this imply that developing economies must go through an "inward-looking" phase before they can compete successfully in the world market?

It would also be interesting to address more thoroughly the effect that the educational background of the leadership had on the kind of policies they chose to follow. It has been suggested that the French university training that Tunisia's bureaucrats had influenced their decision to attempt the "socialist" experiment. The French education, and thus exposure to leftist European thinking, which most of the policy makers had in common might also be considered to be an "international" variable in the formulation of "Tunisian

socialism." It is interesting to note that the leadership in Senegal, which also opted for cooperativization, was French-educated--this perhaps less a political variable rather than an acquired domestic characteristic of the "modernizing elite."

The role of oil in the different development policies of the countries of the Maghreb also needs to be investigated.⁹ Oil revenues have allowed Algeria and Libya greater latitude than Morocco and Tunisia in financing development projects. Besides this obvious consideration, interesting questions include the role that the expectancy of discovering oil, the later discovery of modest reserves, and the proximity to two major producers has played upon Tunisian policy. For example, it may be hypothesized that these factors would encourage policies designed to promote petroleum and petroleum-related industries in Tunisia, thereby emphasizing the manufacturing and agricultural sectors less than would otherwise be expected.

In conclusion, none of the three explanations examined in this study was wholly satisfying. That each explains some aspect of the events in Tunisia is not only to be expected, it is perhaps to be welcomed because it represents part of the process of theory building. However, some tentative conclusions may be drawn from

these interpretations of the events in Tunisia which are relevant to other developing countries.

First, Tunisia's early post-independence experience with laissez-faire economic policies suggests that the underdeveloped countries, particularly the small, relatively resource-poor ones, cannot rely solely on market forces to overcome the structural obstacles to development. Even a traditional economic analysis would recognize the "imperfections" which exist in the lesser developed countries' markets.

Second, world systems analysts are correct in their observation that such a country cannot opt out of the international capitalist system. As in Tunisia, limited savings capacity virtually insures that foreign financing, either private or in their form of development assistance, will be required. Furthermore, there is a natural limit to how far inward-oriented development can progress.

In the absence of much greater north-south economic cooperation, the developing countries have no choice but to turn to the advanced industrial economies as markets for their exports and sources of the inputs necessary for industrialization. However, the developing countries will remain in a disadvantaged position relative to the advanced industrialized economies

because of the technological edge that the latter enjoys. The best that they can hope for is to improve their position in the world system.

While they will remain relatively poorer than the developed countries, they can institute policies which allow them to obtain greater benefits from that system, and to create greater equality in their own societies. But this depends heavily on the strength of the state; its ability to promote structural change in the economy over entrenched vested interests. If the state is ultimately weak vis-à-vis the dominant class, unable to effect permanent structural change, then any gains made towards greater equity in the society and more independence from international capitalist interests will probably be reversed.

NOTES

¹See Tony Smith. "The Underdevelopment of Development Literature: The Case of Dependency Theory." World Politics, Volume 31 (January 1979): 48; and also Krasner in Oye, et al., eds., Eagle Entangled: U.S. Foreign Policy in a Complex World, New. Longman, 1979.

²Richard Lawless and Allan Findlay. North Africa: Contemporary Politics and Economic Development. Croom Helm, London and Canberra, 1984, p. 108.

³Smith. Op. cit., p. 249.

⁴Ibid., pp. 261-262.

⁵"La Tunisie: Quinze Ans d'Indépendence." Le Monde, April 11-12, 1971 (special issue on Tunisia), p. 14.

⁶Derek T. Healey. "Development Policy: New Thinking about an Interpretation." Journal of Economic Literature, Volume 10, No. 3 (September 1972).

⁷The current Sixth Five-Year Plan expires this year (1986).

⁸For example, Ben Salah claims that the French Ambassador was personally hostile to Tunisia's economic policy because of the nationalization experience, for which he held Ben Salah responsible. The ambassador therefore sent a negative report of current Tunisian policy (in 1969) to the French government. Bourguiba was made aware of this report and cited it as evidence of Tunisia's poor economic performance.

⁹See Konrad Schliephake. Oil and Regional Development: Examples from Algeria and Tunisia. Praeger, New York and London, 1977. Translated by Merrill D. Lyew.

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