

Endogenous rural development in the Mediterranean region: The case of Tunisia

Thabet B.

in

Stamatakis E. (ed.), Clapan C. (ed.).
Endogenous rural development in the Mediterranean region

Chania : CIHEAM
Cahiers Options Méditerranéennes; n. 30

1998
pages 55-69

Article available on line / Article disponible en ligne à l'adresse :

<http://om.ciheam.org/article.php?IDPDF=CI020825>

To cite this article / Pour citer cet article

Thabet B. **Endogenous rural development in the Mediterranean region: The case of Tunisia.** In : Stamatakis E. (ed.), Clapan C. (ed.). *Endogenous rural development in the Mediterranean region*. Chania : CIHEAM, 1998. p. 55-69 (Cahiers Options Méditerranéennes; n. 30)



<http://www.ciheam.org/>
<http://om.ciheam.org/>

ENDOGENOUS RURAL DEVELOPMENT IN THE MEDITERRANEAN REGION: THE CASE OF TUNISIA

Boubaker THABET,
Professor of Agricultural Economics at the
National Institute of Agriculture - Tunis,
Tunisia

ABSTRACT:

First of all this paper presents the main features of the agricultural economy. The declining relative role of agriculture in the general make-up of the economy as well as the limiting nature of the natural resource endowment base are highlighted. At the same time increasing numbers of people, although there is a decline in relative terms, derive their livelihood from the agricultural sector, at least in rural areas. Secondly, there is a description of various national experiences from attempts which have generally been initiated by public authorities to promote development in rural areas. Subsequently, a number of areas which exhibit possible potential for spontaneous development are presented. These cover a wide spectrum of initiatives, ranging from the traditional perception of growth through promotion of agricultural activities to the on-going participatory approach to development which encompasses a variety of activities, possibly leading to some forms of endogenous development. Finally, ideas will be suggested which are aimed at the strengthening of the latter.

KEYWORDS:

Development Policies, Development Agencies, Development projects, Economic Development, Tunisia

INTRODUCTION

The development efforts of rural communities world-wide, and in Tunisia in particular, have historically been the subject of major controversies, development theories (Fei and Ranis, Jorgensen, etc.) and even political debates. Most of these efforts, if not all, were aimed at designing policies and suggesting ways to promote economic growth and improve social welfare in rural environments. The overall planning approach, for example, which was implemented almost everywhere, most often attempted to use agricultural and rural

domains to test development ideas. The production co-operatives of the agricultural systems of the sixties, then the marketing co-operatives on which emphasis was placed in Tunisia during the seventies, and elsewhere as well, are typical examples of a profound movement which aimed at inducing efficiency gains and reductions in unfairness within rural communities, and between rural and non-rural areas. Hence, the promotion of development was the main target for these programs and projects.

More recent experiences of rural development during the seventies and eighties also underlie another type of effort to induce development ideas and promote job creativity in rural communities, especially those with limited potential. This paper is an attempt to describe those efforts in a sequential order and highlight their main points of strength and their possible weaknesses.

In addition to its informatory purpose, this presentation is also intended to set the stage for what might be called the specifics of, origin of, or even the requirements for, a genuine endogenous development process. This will follow the presentation of the main features of the Tunisian economy, and a description of how agriculture fits into the whole picture.

1. DESCRIPTION OF THE TUNISIAN ECONOMY

In many ways, general economic and social indicators show that standards of living are improving in Tunisia. From the improvements in life expectancy to the slowing down of population growth, the sustainable increase in per capita income, almost universal youth education¹, generalized public health care, and the general infrastructure apparent in the country, living conditions are indeed getting better in Tunisia. A summary of some of those indicators is provided in the table below.

¹ At the required age

Table 1. Main indicators of the Tunisian economy

Characteristics	1956 ¹	1966	1975	1984	1994
Population (millions)	3.782	4.533	5.588	6.966	8.785
Births (%)	5.0	4.51	3.6	3.23	2.27
Deaths (%)	2.50	1.5	1.0	0.65	0.57
Growth rate (%)	3.5	3.01	2.6	2.58	1.70
Population less than 15 years of age (%)	42.5	46.5	43.8	39.70	34.8
Life expectancy (years)	47	51.1	58.6	67.1	71.4
Per capita income (Dinars/person/year)	-	111.0	312.6	895.8	1836.5

Source: *Republique Tunisienne "Document de position nationale sur la sécurité alimentaire en Tunisie". Sommet Mondial de l'Alimentation, November 1966.*

¹ Year of political independence of the country from France

More recent statistics (Ministere de l'Agriculture) indicate that annual per capita incomes have exceeded 2,000 Dinars¹, a benchmark used by international organisations² for the categorisation of

developing nations. Such a high performance, for a country with limited natural resources³, coupled with the effectiveness of population growth

reason is that the country no longer qualifies for US foreign aid.

³ In comparison, for example, with neighbouring oil- and gas-producing countries

¹ One Tunisian dinar (TD) equals approximately one US dollar

² Such as the United States Agency for International Development, for example. This Agency recently closed down its Offices in Tunis. The apparent

limitation programs⁴, make future prospects for Tunisian society a lot less uncertain than those for many countries with comparable conditions.

⁴ Particularly for a country where religious beliefs and other social considerations do not always help towards easy achievement of those goals.

The improvement can also be seen through the reduction in the numbers of people below poverty levels⁵, as shown below:

⁵ Poverty levels are officially defined in Tunisia in terms of the incomes required for families to meet their minimum energetic needs (République Tunisienne)

Table 2. Population below poverty levels by area

Survey years	Urban areas		Rural areas		Whole country	
	Population in thousands	Percentage	Population in thousands	Percentage	Population in thousands	Percentage
1975	700	26.5	523	18.0	1223	22.0
1980	393	11.1	430	14.1	823	12.9
1985	325	8.4	229	7.0	554	7.7
1990	354	7.3	190	5.7	544	6.7

Source: République Tunisienne "Document de position nationale sur la sécurité alimentaire en Tunisie". Sommet Mondial de l'Alimentation, November 1986.

It may be noticed that there is a faster decline in poverty indicators in rural areas, in relation to that apparent in the cities. This is evidently an expression of the phenomenon of rural exodus to urban areas

where economic activity is not moving fast enough to absorb incoming additional supplies of labour. The evolution of demographic indicators is illustrated in the following table.

Table 3. Population distribution

Survey years	Total population	Rural population (Thousands)					
		Total rural	Agriculture	Active in Agriculture	Rural / Total (%)	Ag. / Tot. Rural (%)	Active Ag./ Rural (%)
1961	4302	2719	2364	659	63.20	86.94	27.88
1970	5127	2898	2162	559	56.52	74.60	25.86
1980	6384	3050	2235	684	47.78	73.27	30.60
1990	8180	3735	1986	655	45.66	53.17	32.98

Source: Thabet and Allaya "Le secteur agricole et ses perspectives à l'horizon 2000: Tunisie". EEC/CIHEAM, July 1993.

The rural component of the population has declined from over 60% to about 45 % over a period of thirty years. Despite the shift in population weight to the urban areas, the rural population remains high, a fact particularly worthy of note given that agriculture provides employment for no more than a third of it. This is why development programs and ideas in rural areas have

been, and still are, of most concern to policy makers (République Tunisienne).

It may be worthy of note that a sharp decline has taken place in the share of the population engaged in agriculture relative to the total rural population; there has been a decrease from about 87% to 53% in thirty years. At the same time the employment

offered by the agricultural sector has remained at about the same level, both in absolute and relative terms, with a significant drop of about 15% which occurred during the sixties following the movement which arose from disenchantment with the co-operatives.

This generally positive picture should not, however, hide the fact that there is quite an uneven distribution of growth between the coastal urbanised areas, where activities are rather diversified, and the rest of the country which tends for the most part to be rural, and where agriculture is in many cases the sole activity.

Taking household budget expenditure, for example, as a proxy for disparities in regional income, it appears that on average people in urban areas spend almost twice as much as those in rural communities¹. In terms of growth however, the apparent saturation of expenditure that seems to have been reached in urban areas is less clear in rural environments. This is, of course, to be expected as incomes are comparatively lower in the countryside.

¹ Account may not be well taken, even though attempted, of home consumption which is expected to be significantly higher in rural areas than in urban ones, particularly in the case of food. Another important consumer item is housing for which rural people spend much less than urban people.

Table 4. Evolution of household expenditures

Area	Expenditure (Dinars*/Person/Year)				Annual growth rate (%)		
	1975	1980	1985	1990	80/75	85/80	90/85
Urban	604	757	892	890	4.6	3.3	0.0
Rural	333	359	424	460	1.5	3.4	1.6
Country	463	565	676	716	4.1	3.7	1.0

*1990 base year

Source: INS "Enquete sur la consommation des menages". 1975, 1980, 1985 and 1990.

The description of the general economy indicates that there is quite an adequate relative performance overall, but with regional disparities. The presentation now proceeds by addressing the role of agriculture in the general development process.

2. THE PLACE OF AGRICULTURE IN THE GENERAL ECONOMY

2.1 The general picture

While declining in relative terms over the course of time, the share of agriculture in the general economy of Tunisia remains important for economic as well as social considerations. The contribution of the

combined sector of agriculture and fisheries to gross national product (GDP) was over 20% during the first half of the sixties, but declined to 12 % during the eighties and rose again to about 16 % in the early nineties. Nowadays it fluctuates in the region of 12 -14%, as agricultural output is quite variable from year to year because of climatic variability.

Beyond its traditional role in terms of provision of food, agriculture contributes no less than 20% to national employment and approximately 12% to exports; it is thus an important contributor to the balance of payments. The table below (Table 5) provides an illustration of that contribution.

Table 5. Share of the agricultural sector in the general economy

Year	Population	Gross Domestic Product ¹	Agricultural Gross Domestic Product ²	Average
<i>Unit</i>	<i>Millions</i>	<i>Million TD</i>	<i>Share (%)</i>	<i>(%)</i>
1980	63923	3510	14.0	
1981	65655	4162	13.6	
1982	67036	4804	13.2	
1983	68395	5497	12.2	13.37
1984	69662	6240	13.8	
1985	71940	6910	15.2	
1986	74199	7021	13.3	
1987	76061	7997	15.3	
1988	77727	8685	11.7	13.96
1989	7.9826	9531	13.2	
1990	81749	10798	16.3	
1991	83188	11975	17.8	
1992	84852	13732	17.6	
1993	86456	14688	15.6	16.2
1994	87854	16134	13.8	

Source: "Annuaire des statistiques agricoles" Ministry of Agriculture, October 1996.

¹ Current prices

² Including fisheries

This general downward trend does not necessarily reflect stagnation in the agricultural sector *per se*, as per capita agricultural GDP has grown at about the same rate as GDP itself. It merely reflects the fact that other sectors such as those of industry, tourism and general services have also been characterised by an upward trend in growth, and are consequently absorbing more and more of the labour force.

2.2 The natural resource base

Roughly speaking, Tunisia is divided into three main regions :

The north, accounting for approximately 19% of the total area of the country, with two mountain chains surrounding important plains and crossed by

the Medjerda river, the only major waterway in the country with a permanent flow of water.

The centre of the country with 23% of the total area, but enjoying limited rainfall.

The south, which accounts for 58% of the area, most of which extends into the desert but where there are natural oases which enjoy favourable micro-climatic conditions, and where there are promising exportable crops of vegetables and dates.

2.3 Agricultural land

Out of a total area of the country of 16.4 million Ha, approximately half , i.e. 8.641 million Ha or 53% is agriculturally productive land. This area is divided up into 4.862 million Ha of arable land (56%), 3.103

million Ha of range land (36%) and 0.68 Ha of forests (8%). This means that agricultural activities are **feasible** roughly over one

fourth of the area of the country. Furthermore, the typical allocation of the limited arable land is shown at the Table 5.

Table 6. Typical allocation of arable land in Tunisia

Activities	Cereals	Forages	Food legumes	Cash crops	Tree crops	Other	Total
Area (Thousand Ha)	1 679.7	308	120.2	200	1 900	31.3	4239.2
Percentage	39.62	7.27	2.84	4.72	44.82	0.24	100.00

Source: "Annuaire des statistiques agricoles" Ministry of Agriculture, October 1996.

Tree crops which are in most cases perennial over long periods of time and cereals account for more than 80% of the total arable land. This again indicates how stringent agricultural options are in terms of resource adjustments, particularly in the short term.

2.4. Water availability

Total water supplies are evaluated at 4,540 million cubic meters¹ (mcm) of which 2,700 or 60% are constituted by surface water resources and 1,840 are subterranean. These resources are located mostly in the north (80% of the surface water and 60% of the total quantities). The actual distribution of water supplies is as follows:

¹ Out of an estimated 36 billion cubic metres in the form of annual rainfall

Table 7. Water supply composition*

Region	North		Center		South		Total	
	Quantity	Perc. (%)	Quantity	Perc. (%)	Quantity	Perc. (%)	Quantity	Perc. (%)
Surface water	2185	80	290	38	225	21	2700	59.5
Aquifers	362	13	208	28	94	9	664	14.6
Deep sources	187	7	255	34	734	70	1176	25.9
Total	2734	100	753	100	1053	100	4540	100
Percentage	60		17		23		100	

Source: Ministry of Agriculture "Budgets Economiques". Various years. * Quantities are in million cubic meters

Areas equipped for irrigation constitute approximately 350,000 Ha, plus about 90,000 Ha for supplementary irrigation. However, these represent only 8 - 10% of the total cultivated area; the

remainder is evidently rain-fed, but in a manner subject to great fluctuations. A typical utilization of irrigated areas is as follows :

Table 8. Irrigated agriculture - 1994

Activity	Cereals	Forages	Food legumes	Industrial crops	Vegetables	Tree crops	Total
Area (Ha)	47.6	26.1	1.3	14.3	116.9	141.2	347.4
Percentage	13.7	7.5	0.4	4.1	33.7	40.6	100.0

Source: Ministry of Agriculture "Budgets Economiques". Various years.

Most of the irrigated areas are covered by tree crops, with a predominance of citrus trees, and vegetables. However, serious attempts are regularly made by public authorities to induce farmers to irrigate cereals whenever rain shortages occur, but the results are apparently mixed as farmers do not always consider it appropriate to allocate irrigation water to cereals, but rather to generally competitive vegetable crops (Amami).

2.5. Agricultural production

Field crops made up of cereals, food legumes and forages cover about two million Ha which represent more than one third of the total arable land. A breakdown of the

usage of this area indicates 79% for cereals, 15 % for forages and 6 % for food legumes. On average, the area under cereal cultivation is made up of 57% durum, 33% barley and 10% of bread wheat.

Olive production is another important activity as it is the principal source of income for approximately one third of Tunisian farmers and covers about one third of total arable land ,with approximately 50 million trees (Thabet and Allaya). On average, more than 60% of the olive oil produced is exported and Tunisian exports represent approximately 20% of world olive oil sales, thus ranking Tunisia second in the list of olive-oil exporting countries, after Spain.

Table 9. Exports of olive oil (tons)

Crop year	1990/91	1991/92	1992/93	1993/94
Exports	158166.2	96473.1	122627.1	192909.3
Structure				
• Bulk	155918	94966	110430	176664
• Processed	436	1310	100	8095
Processed oil relative to bulk (%)	0.28	1.34	0.09	4.58

Source: Ministry of Agriculture "Budgets Economiques" and "Annuaire des statistiques agricoles". Various years.

Exporting olive oil, a high market value crop, and importing other, rather inexpensive substitutable categories of vegetable oil has been constant official policy in Tunisia over the years. Obviously, this has helped relax foreign exchange restrictions and at the same time increased public access to the consumption of oils, an important ingredient of the Tunisian diet. Most of the exported oil, however, is shipped in bulk form which implies that most of the processing and grading takes place in foreign markets. With the on-going market liberalisation, some interest is being expressed regarding investment in the

processing of additional quantities of olive oil on the local market, so as to extract a better share of international markups for the final commercialised product. This is indicated by the increasing number of plants concerned with total or partial processing that are being set up in the country.

2.6. Balance of Trade

With the exception of the year 1991/92 when it exhibited a surplus, the balance of trade has been characterised by a structural deficit. However, deficits are most pronounced following climatically difficult years. Olive oil is probably the single

commodity most responsible for keeping the deficits rather low as its exports contribute, on average, by 43% to the total of foreign exchange earnings from foodstuffs, whereas cereals account for nearly 38% of food

imports. Over the 1992/96 period, the balance of trade of agricultural commodities has behaved on average as described below.

Table 10. Balance of agricultural trade (average of the 1992-96 period)

Exports			Imports		
Commodities	Amount (MD*)	Share in agricultural exports (%)	Commodities	Amount (MD)	Share in food imports (%)
Sea products	82.2	18.8	Meat	17.4	3.0
Olive oil	187.9	42.8	Milk products	50.9	8.6
Dates	54.4	12.4	Cereals	226	38.2
Oranges	9.7	2.2	Vegetable oil	87.9	14.8
Agribusiness commodities	10.3	2.3	Sugar	71.1	12.0
Legumes	3.7	0.8	Other	137.9	23.4
Other	90.6	20.7			
Total	438.7	100.0	Total	591.1	100.0

MD : million dinars

Source "Annuaire des statistiques agricoles " Ministry of Agriculture. Various years

2.7. Food budget expenditure

Over the last 25 years, no major change seems to have taken place in the share of food expenditure relative to other expenditure, regardless of the geographical location of households. This is shown by the percentage of the budget spent on food,

which has stabilised at about 36%, 40% and 47% respectively in large cities, small cities (towns) and rural communities. The food expenditure of the latter category of households constitutes a substantially higher proportion of the total, compared with that of other areas.

Table 11. Household food expenditure (%)

Survey years	Large cities	Other cities	Rural areas
1975	36.6	40.6	47.6
1980	35.9	41.4	49.3
1985	34.5	39.0	45.5
1990	36.3	38.7	46.9

Source: INS "Enquete sur la consommation des menages".
1975, 1980, 1985 and 1990

2.8. Agricultural investment

Another indicator that shows public concern about promoting rural areas is the recent flow of investment into integrated rural development activities, simultaneous

with the preoccupation about water scarcity and its mobilisation. Obviously, most of the investment goes into hydraulics as the country is for the most part quite arid, but diversification in public investment is taking place with the inclusion of accompanying

activities that could potentially improve human working and living conditions. Obviously, public outlays into such activities are limited in comparison with other large

segments of the agricultural investment outlay such as hydraulics, livestock or tree crops but their sustainability is nevertheless worthy of note.

Table 12. Agricultural investment

Year	Hydraulics	Livestock	Tree crops	Integrated rural Development
1986	116898	26678	32103	5234
1987	121316	32205	22148	1648
1988	127338	29143	25552	14600
1989	131976	41374	35060	19800
1990	134010	43118	50912	16300
1991	122195	50352	58085	16700
1992	140680	57380	49350	8047
1993	153159	63459	50737	6921
1994	187838	68948	59300	16100

Source: "Annuaire des statistiques agricoles " Ministry of Agriculture. Various years

These activities go beyond those of an agricultural nature and include such utilities as electrification, water servicing, and smaller manufacturing industries.

3. A REVIEW OF PAST AND ON-GOING RURAL DEVELOPMENT EXPERIENCE

Where rural development is concerned, Tunisian experiences have a long history and are quite diversified. Each began with the belief that the development process needed to start with agriculture, as most of the labour force of the country was initially engaged in this sector, particularly in rural areas. Thus the first efforts at rural development were agriculture-based. As the policies were being implemented, however, and as activity in other sectors (industry, services, tourism, etc.) began to gain momentum, their limitations became apparent and adjustments were begun. Consequently, as time passed, rural development began to take on a new meaning and involved a new set of corrective measures.

3.1. Agriculture-based rural development initiatives

These began in the early sixties as the country attempted to put together its comprehensive development strategy. They included major investments in education, health care, mobilisation of water resources, the initiation of an industrial base and, of course, agriculture. Not only was this latter sector expected to contribute to economic growth and development, but it was also expected to generate significant amounts of rural employment.

Perhaps the most publicised experience of rural development was the setting-up of producer co-operatives on private farms, the basic initial idea behind which was that the collectivisation of small farms was an effective way to achieve economically viable farm size units, to generate meaningful investments in them, and to facilitate technological transfer on these farms. Originally, the idea was introduced at an experimental level. Little by little, attempts were made to extend the

concept to all types of farms in every part of the country. While the idea of achieving economy of size was theoretically sound, as soon as farmers realised that it would imply expropriation of their own properties they resisted the movement, which was subsequently stopped.

While this first experience may have had a high social cost, an important lesson was drawn from it. Development attempts that are not accompanied by farmers' consent and adherence could not last long. Top-down initiatives that do not coincide with the interests of those who are perceived as beneficiaries cannot be adopted, and are therefore doomed to failure. This policy lasted almost ten years and was officially halted at the end of the sixties.

During the seventies and the eighties, public policy moved away from rigid top-down directives and shifted rather to the induced development approach, by trying to help farmers accomplish the objectives they set for themselves. To this end, a number of incentive mechanisms were introduced into the system such as price supports, input subsidies, credit facilities, etc.

Little by little, the co-operative idea resurfaced, but in a different way. Its new format did not envisage the putting together of farmers' resources in a common pool. Rather, it sought to help them acquire some farm inputs but mostly market their farm products, particularly oranges. Many would concede that working together can be an effective way of solving many farmers' problems, as has been witnessed world-wide, but it will take several years before it is possible to erase the adverse memories of co-operation which they acquired from the experience imposed on them during a whole decade.

Another problem is that (service) co-operatives in Tunisia do not conform to standard definitions, since they are not created by members from the very beginning and in general, their management is publicly appointed. Members are workers rather than co-operators. Hence the co-operative idea, despite its potential for the improvement of marketing efficiency, has yet to become part of rural community tradition in Tunisia.

Consequently rural development, through its agricultural component, is primarily effected on an individual basis. Several public incentives are provided to farmers to increase production and improve their incomes. These measures include major reductions in market price variability, guaranteed markets for certain commodities (cereals), subsidies on important inputs such as water, extension services etc., in addition to occasional drought relief programs. All of these programs are described in detail in public documents, such as the on-going 9th five-year agricultural plan.

3.2. Broader rural development programs

The main purpose of these programs is to narrow down the gap in standards of living between the various segments of the population and the different regions of the country. More specifically, they are targeted at the least-developed areas of the country and/or the poorest categories of the population. Thus these programs are intended to enhance the development of the most remote areas and impoverished segments of the population via the creation of employment opportunities.

Five main rural development programs can be identified along these lines: the rural development program

(PDR¹), the integrated rural development program (PDRI²), the integrated urban development program (PDUI³), the productive family program (PFP⁴) and the national solidarity fund (FSN⁵). The following paragraphs describe the contents of these programs.

The integrated rural development program instituted in 1983 builds upon the first program, in that it seeks to guarantee a further sustainability of development action and therefore poverty alleviation. It is based on the strengthening of development initiatives in the most underprivileged areas through the encompassing of economic as well as social and cultural activities. This program provides for population participation and the involvement and support of non-government organisations (NGOs) in collaboration with local and public institutions. This takes place both at the stage of conception of development projects as well as during their implementation.

The next development initiative is the integrated urban development program. As its name suggests, it aims at reducing poverty levels in urban areas. Included in this program are electrification and housing rehabilitation projects. This program is likely to achieve rapid expansion, as the urbanisation process is fast-moving. Its objective is to identify employment opportunities in addition to improving living conditions through infrastructure and services.

¹ From the French Programme de développement rural

² From the French Programme de développement rural intégré

³ From the French Programme de développement urbain intégré

⁴ From the French Programme de la famille productive

⁵ From the French Fonds de solidarité nationale

The productive family program is another program intended to reduce poverty and has touched approximately 117,000 households. Initiated in 1976 and run by the Ministry of Women Social Affairs, this program has attempted to go beyond the idea of assistance to households and includes income-generating activities. The program is not limited to rural areas; it also addresses small urban businesses, agriculture, fisheries, livestock and women's handicrafts.

The National Solidarity Fund⁶ was initiated in 1992; it is the latest official attempt to increase awareness about the need for collective reduction of the disparities between regions and localities. Since its initiation, a national day has been celebrated to mark the occasion. Its purpose is the promotion of voluntary fund-raising, even though the process goes on throughout the year. While individual contributions are optional, tremendous national support has been generated over the last three to four years. In many cases, this program undertakes actions and projects of its own via rapid and integrated intervention in the remote areas, but for a lot of the time the fund⁷ joins its efforts with those of other development programs. The NSF purports to provide the necessary basic infrastructure for individual operators to undertake business and social activities in agriculture and elsewhere (roads, health units, schools, etc.); thus helping to promote the earning of income.

Other rural development initiatives can be identified in the country. Firstly, there

⁶ Known in Tunisia as the 2626 account, in reference to the nationally publicized public account to which all individuals and institutions can voluntarily contribute by donating tax-deductible funds.

⁷ Which has become an institution with the same name run by the Presidency of the country

are the community development programs, based on grass-root population participation, to which a number of national and international⁸ non-governmental organisations contribute.

The motive for rural development can also be identified through the farming systems research program practised in a number of regions of the country during the eighties (Salmi *et al.*). The idea behind this research is to improve the resource endowment potential of very remote areas. Towards this goal, several adapted technological packages were introduced under different farming conditions and the results obtained were quite satisfactory.

Furthermore, a number of institutions were created in different parts of the country for the purpose of initiating and promoting rural development endeavours. Among these institutions there are the regional development authorities such as those in the central, north-western and southern parts of the country⁹. There are also the collective interests associations¹⁰ which control a number of commonly-used resources, such as water and range land.

4. IDENTIFICATION OF ENDOGENOUS DEVELOPMENT PRACTICES AND POTENTIAL

A number of areas that would be candidates for potential endogenous development may be mentioned. All these follow from the general economic orientation established for the country, which calls for the increased reliance of individuals and entrepreneurs on themselves, and not so

much on public assistance. This implies that individuals or households in rural communities are expected to be more creative; thus they will be able to identify areas of business activity which will permit the generation of viable and sustainable incomes, given the existing and potential demands¹¹ which face them.

Perhaps the most obvious of these areas would be the better utilization of natural products; the country has a long history and experience where they are concerned, and even enjoys a solid comparative advantage there (Hayouni). In this vein the additional refinement of olive oil in the country with the assignment of national, regional or even local labels would be an area of high additional market value. At the present time, most of the olive oil exported (95%) is in bulk form, at a price that represents no more than a fourth to a third of its international retail price. Additional shares of international markups could be utilised nationally; this would be equivalent to increased and improved employment.

An important feature on which local industry could focus would be the fact that most of the olive oil production involves the use of little or no chemical treatment, particularly in areas where small-scale farming is most prevalent. With the growing awareness of health considerations, it would seem that increasing supplies on the local or even international markets of healthier, indigenous, and appropriately-packed olive oil brands could generate significant market revenues. Among the other possibilities would be the targeting of the production of organic types of olive oil in different regions, particularly the traditional olive-oil producing

⁸ Such as the international Save the Children Organization

⁹ Offices de développement régionaux (Office de Tunisie Centrale, Office du Développement du Sud, Office de Développement sylvopastoral du Nord Ouest, Office du Développement du Nord Ouest, etc.)

¹⁰ Association d'intérêts collectifs

¹¹ National or international

ones such as the centre and the south of the country.

Another likely candidate for further endogenous development potential is the sector of sheep production with its variety of products (meat, milk, wool, etc.). Although different areas could be suited to this production, it would seem that activities concerning sheep production have been thwarted by past official policies; these favoured industrial sheep production based on subsidised imported feed inputs and less on real native (probably less expensive) potential.

In Tunisia, meat from sheep which have grazed on natural pasture is usually recognised and well appreciated by domestic consumers. Meat from sheep of the Sidi Bouzid province which have grazed essentially on aromatic plants has a specific flavour, and there is a potential for growth here. Furthermore sheep meat with a relatively high fat content is likely to be less in demand in the future. Thus there could prove to be an increasing demand for meat from sheep which have grazed on range land, since it is from the latter that it acquires a specific texture and taste; this could be a possible source for the generation of investment.

Sheep milk is another livestock product which has also been driven out of the market as a result of public and international subsidisation of powdered milk. Northern areas of the country in general, and those of the highlands in particular, enjoy long periods of green vegetation. They are likely to exhibit potential for sheep milk production and possible subsequent transformation.

The production of goat's milk in most areas of the country, and particularly those where dairy cows cannot be sustained, is

another activity which may exhibit a spontaneous increase as the country moves into an era of market liberalisation. Another argument in favour of this hypothesis is the increasing demand for low-fat meat categories, such as kid meat.

Other activities that have a promising future in terms of endogenous development potential include the production of asparagus, the production of out-of-season cactus fruit and its possible processing to produce jam during the season. While the likelihood of development potential in the case of asparagus is based on the suitability and adaptability of some regions for this crop, particularly under irrigated conditions, the potential in the case of cactus fruit is based on its long history in the country and the local knowledge of how to cultivate the crop in different seasons.

5. STRENGTHENING OF ENDOGENOUS DEVELOPMENT PRACTICES

Some of the strengthening of endogenous development practices is expected to take place spontaneously as the economy continues on the road towards market liberalisation, i.e. as the decrease in market distortions continues. Some will even surface as a result of the necessity to find and diversify job opportunities. Since public employment is on a downward trend, at least in relative terms, small entrepreneurs in rural areas will discover an increasing need to be more aggressive in finding and creating jobs. The invisible hand of Adam Smith, implying that individuals should seek market opportunities to improve their welfare, will in all likelihood be the driving force for bringing about endogenous development activities.

Strengthening will certainly need to come from two directions, one being the

entrepreneurs themselves and the other involving the necessary external backing. Firstly, the need to make a better or decent livelihood will impel potential entrepreneurs to look for market opportunities through which they could express their skills and make use of their available resources as they see fit. On the other hand, the participatory approach, a key variable in the new approach to rural development in Tunisia, should help to facilitate the expression and promotion of that spontaneous reaction.

Spontaneous manifestations of activity, if left entirely to individuals and institutions in rural areas and in particular those where operators may be very distant from markets or very little informed about them, could take a long time to appear. This is why there is a need for additional backing which could come from public authorities. Public support can and does take many forms. Most of them, however, can be broadly classified as risk-reducing and risk-sharing intervention measures:

a. Risk-reducing public support

The purpose of this support is to provide potential entrepreneurs with information about what actions they might wish to undertake so as to reduce the perceived risk where expected incomes and reward are concerned. This could take the form of the dissemination of market information and/or provision of research results through extension services. It could also involve helping these entrepreneurs to acquire the necessary credit more quickly than would otherwise be the case. The combined supply of information and means should provide additional incentives through increased confidence, and therefore a hedge against risk where the intended

business is concerned. The integrated nature of the rural development work that is already being implemented in the country implies in particular a diversification of activities and their extension beyond agricultural horizons, and is an important way of coping with risk.

b. Risk-sharing public support

Direct risk-sharing in terms of the provision of such things as subsidies is no longer an option. Thus, public authorities are now in a position to train and inform potential businesses in rural areas about the usefulness of private individuals voluntarily and spontaneously joining efforts in some form of associative work in order to reduce any source of individual risk. To a large extent, this is already taking place in Tunisia. For example, the increasing role being played by marketing co-operatives, or other forms of community work such as action carried out by private associations with the help of NGOs, are adequate illustrations of such attempts.

CONCLUSIONS

There is no doubt that rural communities in Tunisia have to deal with limited natural resources. They are also confronted with quite variable conditions and risks, particularly in terms of agricultural activity. Hence there is a need for many to specialise in economic and original areas where some competitive and sustainable added value can be generated. Large or immediate fortunes may not come their way as they initiate the activities, but with perseverance, continued commitment and the necessary exogenous backing from public institutions some growth and income generation can be forthcoming.

The history and experience of public intervention in Tunisia, particularly in the domain of rural development, is indeed quite rich. As stated earlier, many attempts have been made, though based on a mixed trial and error strategy. The optimum approach for a given situation is not easy to establish, but one major characteristic or limitation of past attempts at rural development was their top-down nature, with the germ of the ideas almost always coming from public administrative authorities at national, regional or local level. It is true, however, that these approaches evolved

tremendously over the years from rigid instructions into flexible orientations for the beneficiaries.

The recent increasing emphasis on participatory development work with beneficiaries at the grass -root level constitutes a new but sure way of guaranteeing durability for any kind of potential for endogenous development actions, as it requires the identification and implementation of rural development projects where beneficiaries are real partners, not just simply recipients.

REFERENCES

- Ministère du plan et du développement économique, (1993): "Deuxième génération du programme de développement rural intégré: étude de faisabilité. Volume I: rapport general. September.
- Solidarity Fund (2626) Bulletin. December 8, 1996
- Comete Engineering (1996): "Les perspectives du secteur agricole compte tenu des mutations internationales". Rapport final.
- El Amami, H. (1991): "Irrigation de Complément des Céréales". Mémoire de fin d'études, INAT,.
- Fei, J. C. H. and G. Ranis (1964): "Development of the Labor Surplus Economy: Theory and Policy". Homewood
- Jorgenson (1971): "Development of a Dual Economy". Economic Journal.
- INS "Enquête sur la consommation des ménages". 1975, 1980, 1985 and 1990
- Thabet, B. et M. Allaya "Le secteur agricole et ses perspectives à l'horizon 2000: Tunisie". EEC/CIHEAM, July 1993.
- Ministère de l'Agriculture:
- Annuaire des statistiques agricoles (various years)
- Budget Economique (various years)
- Republique Tunisienne (1966): "Document de position nationale sur la sécurité alimentaire en Tunisie". Sommet Mondial de l'Alimentation.