
THE DEMOCRATIC PLURALISM INITIATIVE IN TUNISIA: AN INDEPENDENT ASSESSMENT

FINAL REPORT

*Bureau for Asia and Private Enterprise
U.S. Agency for International Development*

*Prepared for: USAID/Tunisia and
Bureau for Europe and Near East*

Prepared by: Ernst & Young

*Sponsored by: Private Enterprise Development Support Project II
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List of Abbreviations:

API	Agency for Promotion of Industries
CC	Constitutional Council
CES	The Economic and Social Council
CPS	Cabinet de Prospective Sociale
LTDH	Tunisian League of Human Rights (Ligue Tunisienne Pour la Defense des Droits de L'Homme)
MDS	Movement of Social Democrats
MUP	Movement of Popular Unity
PCT	Tunisian Communist Party
POCT	Communist Workers Party
PSD	(now RCD)
RHUDO	Regional Housing Office
SiHTT	The central hotel administration
UDU	Union Democratique Unionist
UGTT	Tunisian Labor Federation
UNA	Union National des Agricultures
UNFT	National Union of Tunisian Women (Union Nationale des Femmes Tunisienne)
UTICA	Union Tunisienne de l'Industrie, Du Commerce, et de l'Artisanat

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I. EXECUTIVE SUMMARY

A. Introduction

Since the change of government in November 1987 that brought President Zine al Abidine Ben Ali to power, Tunisia has taken important steps toward the development of a pluralistic political regime. Many obstacles remain, however, and the rapid progress toward democratic pluralism that occurred in the first year of the Ben Ali regime has not been matched in the subsequent period. AID's Democratic Pluralism Initiative (DPI) for Tunisia therefore comes at a critically important time: it can help to consolidate the steps toward democratic pluralism that have been taken in the last few years, and its efforts may well inject new dynamism into this process.

B. Historical Context

Prior to Ben Ali's accession to the presidency, Habib Bourguiba, the leader of the anti-colonial movement, and his Neo-Destour party had ruled Tunisia since its independence in 1956. The Bourguiba regime featured a dirigiste state dominated by the ruling party which sought to modernize the economy and promote a secular, Western-leaning culture. The dominant role of the state and the ruling party in Tunisia's political, economic, and social life under Bourguiba hindered the development of democratic institutions and practices. Thus opposition political parties were not legalized until the early 1980s; the press was carefully controlled; the state apparatus remained highly centralized; the economy was dominated by the state; and the most prominent private secular organizations were closely tied to the ruling party. Lacking a democratic cultural heritage, and in the absence of severe social or economic crises, Tunisia failed to produce an opposition movement that was strong enough to challenge and dismantle Bourguiba's authoritarian regime.

Unrest grew rapidly in the mid-1980s, however, leading Ben Ali, a military officer who had been appointed Prime Minister in October 1987, to oust Bourguiba through constitutional means on November 7, 1987. Ben Ali quickly began to introduce democratic reforms into the authoritarian political system bequeathed to him by Bourguiba. He changed the constitution to limit the President's term in office; he abolished certain legal mechanisms used by Bourguiba to prosecute political offenders; he reformed the electoral law and the press code; he recognized other political parties and strengthened the nascent multi-party system; he established the Constitutional Council and reinvigorated the Economic and Social Council to provide independent input into legislation; he undertook a wide-ranging administrative decentralization program; and he extended the privatization program begun under Bourguiba. Ben Ali also freed thousands of political prisoners; relaxed repression of the opposition and press censorship; and dismissed many Bourguiba loyalists from top positions in the state and party apparatus. Moreover, in Septem-

ber 1988 he brought together representatives from all of the country's major political tendencies to sign a national pact aimed at forging national unity, providing basic political freedoms and laying the groundwork for new parliamentary elections.

Following the euphoria of Ben Ali's first year in office, the pace of transition toward a more pluralistic regime slowed considerably. Ben Ali failed to extend official recognition to the presumably largest opposition movement, the Islamic movement al Nahda, and to several smaller opposition groups. Opposition leaders charged that the April 1989 parliamentary elections were fraudulent. Protesting that the electoral system was still biased in favor of the ruling party, the opposition parties boycotted the May 1990 municipal elections. They then accused the government of vastly overinflating the reported rate of voter turnout. Human rights abuses, while much lower than in the last years of the Bourguiba regime, continued to occur regularly in 1989 and 1990. Opposition activists were harassed in various ways, and the press was forced to maintain a certain level of self-censorship.

C. The Democratic Pluralism Initiative in Tunisia

It is within this context that the U.S. AID Mission began to develop its DPI program, which encompasses on-going activities and others that are still in the planning stage. In conjunction with its Private Sector Revitalization program, the Mission has been taking various steps to strengthen the private sector's role in the economy. These activities make an important contribution to the promotion of democratic pluralism by reducing the government's control over the economy and helping to create alternative power centers in the country. The Mission has been providing a modest amount of support to Tunisian human rights organizations, which play a critical role in the transition toward democratic pluralism, and has been assisting certain women's organizations, which are of fundamental importance in strengthening the political influence of women. More recently, the Mission has begun to provide a limited amount of assistance to Tunisia's labor federation, which is the main organization representing Tunisian workers. In addition, the Mission is planning to assist the government in some of its decentralization efforts. By helping to increase the role of local officials in decision-making, this effort should help to further democratize the political system.

In addition to the projects currently under the DPI program, the USAID Mission is involved in other activities that make important contributions to the promotion of democratic pluralism. The Mission's Marketable Skills Development program is aimed primarily at reducing unemployment, especially among Tunisian youth. Since unemployment is a source of potentially explosive unrest, this project indirectly helps to facilitate the transition toward a more pluralistic regime. USIS/Tunisia's services to the communication media clearly make a valuable contribution to DPI. Its exchange program and related activities help to promote democratic ideas and attitudes. USIS/Tunisia is planning to co-sponsor with the Department of State a conference on the rule of law, a theme that fits in well with the DPI program.

The USAID's current DPI-related efforts, its Marketable Skills Development program, and the USIS/Tunisia activities mentioned above all make useful contributions to a general DPI strategy. In section VI of this report recommendations are made about how some of these activities might be expanded or modified to enhance their contributions to DPI.

D. Recommendations

The analysis of current conditions in Tunisia leads to the conclusion that the Mission should pursue two additional areas in its overall DPI strategy. First, the Mission should go forward with its plans to strengthen and/or invigorate non-governmental organizations that are, or potentially could be, active in Tunisian politics. This would promote democracy by further pluralizing the political system and by enhancing the caliber of public debate in Tunisia. The Mission is developing, along with the Ministry of Planning, a program to use counterpart funds (commodity import program) to fund local non-governmental organizations working in community development. The fund will support project costs in the broad areas of health, sanitation, family planning, agriculture, small enterprise promotion, water resource management, and environmental protection. At the grass roots level, a Tunisian government agency with regional level responsibilities under the Ministry of Planning will manage the fund.

The Mission should continue to send the leaders of prominent opposition parties to the United States or other democratic countries to study the workings of their political systems. Along these lines, it should sustain and strengthen its outreach toward al Nahda. In order to draw out its members and strengthen their professed commitment to democracy, the Mission should send some of them abroad and invite them to U.S.-sponsored activities in Tunisia. The Mission should take steps to strengthen political, social, and cultural organizations to promote political pluralism and the reduction of the levels of political alienation and discontent. In order to help articulate the attitudes of common people, this report recommends that the Mission find ways to support the development of public opinion polling capabilities in Tunisia. This report also recommends that the Mission explore ways of encouraging the government to open up the television media to independent coverage of domestic matters.

The Mission should take steps to enhance the ability of the government to conduct objective research on social, economic, and political issues and apply this research to public policy formation. Toward this end, this report recommends that the Mission take steps to strengthen the research capabilities of the Economic and Social Council and send parliamentary staff members to the United States to study the workings of the Congress and related government bodies.

II. ANALYSIS OF THE ENVIRONMENT

A. Social, Economic, and Political Background

A broad perspective of the Tunisian political system must be set in the context of the Afro-Asian environment of the post-colonial era. Tunisia achieved independence from France in 1956 following an armed struggle launched by the Neo-Destour party of Habib Bourguiba, a French trained lawyer of modest social background.

The French colonial occupation left among the Tunisian populace a legacy of resentment and distrust of foreign designs. While the French laid down the foundation for a centralized authority with a professional civil service, a standing army and police, and a judicial system, no democratic political institutions were established. The French contributed to democratization in Tunisia unintentionally, however, by providing a French education to the Tunisian elite. Through their studies, members of this group, which included Bourguiba himself, developed an understanding of democracy in Europe and of secularism. It was this group that emerged as the political successors to the French. Tunisians with more traditional and Islamic education were unable to gain the political power of the more secular elite. Two examples are illustrative of this. The first is the split in the national movement of the Destour party in the 1930s and the emergence of the Neo-Destour party under the leadership of Bourguiba. The second is the defeat of Ben Yousif in the struggle for control over the Neo-Destour Party in the 1950s.

Democratization in Tunisia is intricately linked to the response of independence leaders to the post-colonial challenges and to the decreasing effectiveness of their policies. Following independence, the Bourguiba regime followed a course that was culturally secular, economically dirigiste, and politically authoritarian. The challenges of the 1980s have forced a re-orientation of this course toward cultural authenticity, pluralism, democratization, and multi-partyism. The account of this historical and transitional process is described in this section.

Although Tunisia's new leaders emerged from a secular and Westernized elite, at the dawn of independence there were no existing democratic institutions upon which to build. The beylik system, a degenerated relic of the sultanate-type government that preceded Tunisia's colonization in 1881, was abolished in 1957. Creating a new system from scratch, however, proved much more difficult than dismantling the old beylik system. The new leaders faced significant obstacles. One difficulty was adapting their liberal ideology to an Arab-Islamic culture, which, though consistent with democratic principles, was less tolerant of secularism. They also faced other obstacles typical of Afro-Asian countries - widespread illiteracy, low per capita income, and a basically agrarian economy.

The primary factors determining the role of the Tunisian government from independence until today are the country's cultural setting and economic under-

development. Questions of pluralism and open markets are inextricably related to these two factors.

Tunisia's cultural setting is atypical of many Afro-Asian countries in that Tunisian society is ethnically and religiously homogeneous. While in Algeria and Morocco the Berber population constitutes a significant minority still in possession of its national language, the Berber tongue is rarely spoken in Tunisia. Berber identification is subordinate to their Islamic identity and a growing sense of Tunisian nationalism. Free from conflicting ethnic and class interests, Tunisia was spared debilitating communal strife. Class divisions in Tunisia may be perceived in terms of occupational differentiation rather than group consciousness and solidarity. This is evident even in the trade union movement, which has developed an adversarial relationship not with an exploitive "bourgeois" class, but with the state. This is primarily due to the fact that, even though organized labor and the new regime were initially allied against the French, the state itself became and remains the country's largest business and employer. At the same time, there traditionally has only been a small number of private industrialists in the country.

These and other cultural factors helped shape the post-colonial, politically authoritarian regime. With a basically homogeneous society and no significant organized political opposition, the Bourguiba regime initially enjoyed the freedom to impose the new leaders' secular ideology on the country. This was manifested primarily in the form of a personal status code drawn mainly from European legal systems. These factors - its alignment with organized labor during the struggle for independence and its prestige as the nationalist political party that won independence - ensured the undisputed hegemony and virtual impunity of the Bourguiba regime. In the early independence period, fear of divisiveness and foreign influence and the uncontested power of the government cemented the authoritarian single party system.

The ruling party's power was further entrenched by the Constitution of 1959 which gave the President overwhelming powers as chief of state and head of government. His ministers were hand-picked and granted extended terms in office. As a result the turnover in leadership positions was very low. Occasional delegation of power to a prime minister or a single minister often resulted in his demise. The President exercised ultimate authority over every aspect of the state, executive, legislative, and judicial. The legislative branch, the National Assembly, was merely a rubber stamp institution that served the Executive. Parliamentary elections were a pro forma matter of virtually unopposed hand-picked candidates selected by the President through the party bureau. Neither was the judiciary branch independent. Even the judges of the highest court, the Court of Cassation, were appointed by the President. In 1974, these relationships were further institutionalized when a constitutional amendment made Bourguiba president for life.

The liberal reputation of the Bourguiba regime is misleading. The image of Bourguiba's Tunisia as a liberal system was based partly on the regime's cultural policies and partly on its pro-Western foreign policy. Its reputation rests primarily

on the personal status laws, under which women were given equal status under the law, polygyny was prohibited, and age limits were established for the marriage of girls. However, the regime could be better described as politically pragmatic and relatively tolerant. Post-colonial Tunisia was liberal in cultural matters and authoritarian politically and economically. For political reasons western capitals by and large overlooked the regime's violations of political rights.

These variables in Tunisian society have all contributed to the country's economic underdevelopment. The economy in newly independent Tunisia was basically agrarian with some mining, utility companies, and banks - almost all of which were controlled by the French. These enterprises were nationalized by the new government upon independence. Foreign-owned agricultural land was nationalized later in 1964.

The economic system that was developed by the new regime was neither liberal nor Marxist. Though it was labeled as socialist by the new leaders, it was not really Marxist and was not propelled by ideological considerations. What emerged in post-colonial Tunisia was an economic system dominated by the state. It became the country's major entrepreneur, employer, and provider. The state used its prerogative of making legally binding decisions to discriminate against the few competing entrepreneurs. The antecedents and contributing factors to this situation are comparable to those in most LDCs: scarcity of private investment capital, little accumulation of wealth, absence of an industrial base, and low technological levels. Moreover, most production and assets were tied up in traditional agriculture. The state found itself in the position of having to counteract almost all of these adverse factors to achieve adequate economic growth. As in other LDCs, the state was seen as the only force capable of raising funds for investment capital through taxation, customs, and foreign loans. Also, unlike Tunisia's private entrepreneurs, the state was not adverse to risk taking.

These factors contributed to the Tunisian population becoming increasingly economically dependent on the national government. It expected the state to take economic initiatives, both in providing basic needs and services and in taking a leading role in building the economy.

Undisputed control over the economy allowed the regime to reduce the possibility of effective challenges from economically strong rivals, as well as giving it an enormous resource for patronage purposes. As an owner-manager of economic enterprises, the state obtained the means for employment for its supporters, thus strengthening its hold over both workers and the UGTT, the Tunisian Labor Federation.

The transition to limited political pluralism and an open market system in the 1980s was preceded in the early 1970s by the lifting of some discriminatory restrictions against private entrepreneurs. Active encouragement of private businessmen resuscitated private enterprise and improved export performance. However, the private sector continued to be limited by the state's domination of

the industrial and services sectors, and bureaucratic and economic constraints. In the mid 1980s, the government took modest measures to privatize some state-owned industrial firms and to reduce controls on banking and the prices of consumers goods. The state, however, remained the largest economic force, responsible for over 60 percent of value added in industrial production.

There was a modest move in the 1970s in the direction of political tolerance which continued into the 1980s when three political parties were given legal status (in 1981 and 1983). These parties were the Movement of Social Democrats (MDS), the Movement of Popular Unity (MUP), and the Tunisian Communist Party (PCT). Under Ben Ali, who succeeded Bourguiba in 1987, a limited multi-party system was retained. However, this new system left out a major political force - the Islamic movement. This excluded segment organized itself into an officially unrecognized party called al Nahda.

While the regime has to some extent relaxed its political and economic hegemony, it still retains its Western secularism. This is potentially explosive, particularly with the growth of Islamic and Arab nationalist sentiment and movements.

The question of democratization in Tunisia can be viewed through two basic prisms: ideological openness and open markets. Political openness would entail a free, competitive party system expressing most if not all shades of opinion. Unwilling to risk losing its ideological hegemony, the state has allowed only those parties that operate basically within its own ideological sphere into the electoral arena. In doing so, it precluded the possibility of being replaced by a rival elite and exposing the redundancy of the legalized parties. It is therefore not surprising that the parliamentary elections of 1989 did not bring to Parliament any members of the legalized parties.

More progress has been achieved in opening Tunisia's markets, an analysis of which is covered in section III of this report.

B. Freedom of Expression, Organization, and Elections

The Tunisian Republic under President Ben Ali is a tutelary democracy in the sense that the relatively free political process is guided from above as to directions and limits of political action. It constitutes a departure, however, from the previous single party regime with an overbearing President. Tunisia is now in a transition to a multiparty system, a process started in the early 1980s and given an additional push forward after November 1987. Three political parties were given a permit to operate legally in the early 1980s and four more after November 1987.

Political Parties and Elections

Though seven political parties are legally recognized at present, the effect on competition and on elite recruitment has been quite modest. This fact has led

many independent observers and partisans to conclude that the November 7 movement has stalled and is in need of a major thrust forward. This conclusion is supported by the exclusive election of RCD deputies to Parliament in April 1989, in which not a single member of the opposition parties won a position in the Chamber. RCD leaders deny that the November 7 movement has stalled. They maintain that Tunisia is still in a transition period and suggest that new steps forward in the direction of democratization should be expected. It also seems that the RCD gained more seats in the April 1989 legislative elections than it anticipated and would have liked to have seen some token representation of opposition parties.

The opposition parties have charged that widespread irregularities occurred, especially in the form of manipulation of voter registration lists. In response, the RCD pointed out that they extended the voter registration deadline twice at the behest of the President, thus giving the opposition parties every opportunity to register their supporters. According to official RCD sources, the failure to do so falls squarely on those parties that do not have a mass base. Some opposition parties, especially al Nahda, claim that there was fraud and intimidation of voters and observers. There are no independent sources to confirm or deny these charges. What independent observers have confirmed is that the ruling party clearly does not have enough support to muster the 82 percent of the national vote it claimed officially to have received. Another complaint pertains to the bias against small parties inherent in a majority electoral system. The strongest political group, al Nahda, though not legalized, participated in the elections by supporting independent slates and by running its own candidates. It is estimated that al Nahda received about 17 percent of the vote, yet none of its candidates received a majority in their respective constituency. Another objection of opposition leaders is the formal procedure which required the signatures of 75 registered voters for a candidate to run. While this may not sound too difficult, it has served as a source for harassment and delays by the authorities.

To prove its good will, the administration introduced a local government electoral law based partly on a majoritarian system, which it favors, and partly on proportionality, which the opposition favors. All of the opposition parties boycotted the May 1990 municipal elections. This was as much a protest against the irregularities that occurred during the parliamentary elections as it was a response to the failure of the government to introduce a fully proportional system of elections and to give parties enough time to prepare for the campaign. While political parties boycotted municipal elections, some independents ran on slates of their own. The RCD tried to accommodate local interests and individuals of status in making its lists. Independents, however, won a majority of seats in only one municipal council. A few were elected to other councils, but only in small numbers.

The RCD claimed a high turnout of voters (roughly 80 percent), while independent observers, both native and international, assert only about 25 percent to 30 percent went to the polls. This suggests that the ruling party's mass base has shrunk to an alarming extent. Presently no other party is strong enough to fill the political vacuum, although al Nahda is a favored candidate.

A resurgence of native culture in Tunisia is evidenced by the wave of Arab nationalism emerging in support for Iraq in the Gulf crisis. This constitutes a fundamental shift in this country. While the Ben Ali regime is riding this wave momentarily by tilting in favor of Iraq, it will take more serious steps on the part of the regime to make the official co-optation of the new ideological tendency firm. The current trend runs against the secular and Western tradition of the RCD.

The Tunisian political field is ripe for new players. Despite manipulation by the party in power, there is no denying that the seven legal political parties are quite weak. With the exception of the MDS, they have little popular support. Moreover, their ideology and the background of their leaders are hardly distinguishable from the RCD. The MDS, for instance, was an offshoot from the ruling party during the 1970s. The leaders of the PSP and Union Democratique Unionist (UDU) occupied national leadership positions in the RCD before forming their own parties.

There are only two independent political groups that have a strong mass backing: The Islamic tendency of al Nahda and the Trade Union Federation, the UGTT. Both of these groups offer alternative leadership and ideology to the present regime. Yet the first is illegal and the second has not formed itself into a political party, despite a history of political activism. The Tunisian government continues to deny the Islamic movement the status of an official party on the pretext that the law prohibits the formation of parties on a religious basis. The true source of resistance to al Nahda, however, lies in the present regime's character. Essentially, its elite is a continuation of the secular and Western oriented Bourguiba regime. The exclusion of al Nahda from the political process exposes the unwillingness of the new regime to liberalize politically.

There are several other small political groups which are unsuccessfully seeking authorization. Of these, only one, the Communist Workers Party (POCT), espouses a radical ideology. In fact, it stands to the left of the legalized Communist Party of Tunisia (PCT). The rest are in the grey area of the nationalist-secularist sphere.

High ranking officials in the regime claim that the President's position on political opening is misunderstood. They claim he is trying to insure a peaceful and stable transition by moving slowly and gradually. They do not hide their fear, though, of the possibility that a free election may give al Nahda greater weight in policy making. The ruling regime, however, has tried to demonstrate its good will by seeking a national consensus in the National Charter which did not exclude claimants outside of the formal political spectrum, including al Nahda. They blame the opposition parties for not joining in the proposed joint electoral slate and the higher council of the National Charter. In addition, those officials point to the progress made in the Constitutional Council and the Economic and Social Council (described below) as evidence of continued change.

In addition to the claims mentioned above, opposition leaders charge that co-optation tactics aimed at weakening the opposition parties discredits the regime's defenders. For instance, the President has coopted leaders in the League

of Human Rights (LTDH) and the MDS, including notably two former Presidents of the LTDH. This political tactic has weakened and contributed to splits inside these organizations. In addition, it is charged that two of the small opposition parties were created at the behest of the President in order to fragment the opposition and lessen its effectiveness.

The MDS is actually a prime target of the regime because it is an established and credible contender. Most of those coopted by the regime from the LTDH were also MDS leaders. By weakening the MDS, the regime runs the risk of emptying the opposition field to al Nahda and of serious polarization in the system between the RCD and al Nahda. This may also undermine Ben Ali's own base of support, since the MDS is a "loyal opposition" while al Nahda is ideologically on the opposite end of the political spectrum.

In fairness to the regime, it should be noted that its manifest interest in human rights and constitutionalism has in a curious way resulted in these co-optation measures. The regime of Ben Ali has been coopting very highly qualified cadres of higher academic institutes and universities for important political and administrative posts. It includes, for instance, four cabinet Ministers who are not members of the RCD and who are known for their integrity and high professional qualifications.

Nevertheless, the level of political competition within the system remains woefully inadequate, while the ruling party continues to hold a de facto monopoly on power. Some observers fear that in the last year this trend has increased. Unless there is an opening soon, the political "blockage" could lead to unrest.

Political parties of the opposition have also shown a tendency to seek a political room in the regime's mansion rather than try and build up a strong organization among the masses. This is also true of MDS. Tunisia's experience with a multiparty system is very recent and some encouragement of debate and understanding of multi-partyism would be useful. Since these political issues have the potential to make or break a political group, there is little that an outside actor can do to promote greater political competition. Assistance in developing an electoral law is tantamount to interfering in the political fate of leaders. There are, however, openings in other democratic-type reforms that the regime has thus far instituted and that can be supported. Some practices in the implementation of the law should be changed to allow for a genuine competition. In particular, security officers have used the requirement of a signed petition by twenty voters to harass and obstruct the intention of the law. Another electoral problem that can and should be solved is the inadequacy of voter registration lists.

Political Reforms

The democratic reforms introduced by Ben Ali after November 1987 are significant and deserve serious attention. Although all of the reforms are significant, not all of them have been noted by the public. In addition, they have not led to a change in the political deadlock between the secular and the Islamic tendency, or

opened the political system to genuinely free competition. Also, quite important for this report is that a venue for AID contribution to the democratization process may be found here.

1. Parliament

Background material on the Parliament can be found in another section of this report. Here the concern is with the new developments in this institution. The fact that it consisted only of a single party casts a shadow on the credibility of the elections, the legitimacy of the institution, and of its effectiveness. Nevertheless, this governmental body should not be ignored for this or any other reasons. A great deal of legislation passes through Parliament regularly with serious consequences for the Tunisian people. Although all legislation is initiated by the executive branch (i.e., the President), bills are amended extensively in legislative committees. On the floor of the House, debates on the budget this year were very lively and had far-reaching consequences. This demonstrates a greater sensitivity of deputies to local matters, indicating that representatives have some degree of independence from the party that helped them into office.

Another interesting change is that leaders of Parliament (the Speaker of the House and his two Deputies, plus members of all seven committees and their Presidents) are currently elected by the Deputies themselves. However, there is criticism that committee debates are held behind closed doors.

The Parliament has only a small staff, and opinion is divided as to its adequacy. It should be noted, though, that while the staff have offices in the Parliament building, members do not. There is a library that was closed to visitors at the time of this report. The public is inadequately informed about the Parliament's activities and structure. It would be useful to consider how to improve the research capability of Parliament and to enable its members to obtain information relevant to legislation.

Briefly, though Parliament remains a one party institution, its activities have far-reaching national effects. Some qualitative and structural changes in the present Chamber are consistent with the movement toward greater democratization.

2. The Constitutional Council

President Ben Ali started this institution to advise him on the constitutionality of bills submitted to Parliament. Initially, the Parliament objected to the establishment of the Council, but there has been no evidence of friction between the two. The Council's members (eleven in December 1987, and nine after an amendment of its statute in April 1990) are appointed by the President. The Council's appointed President communicates the deliberations and decisions of the Council only to the President of the Republic.

Although the Constitutional Council's (CC) function is primarily advisory, it is useful to look into it more carefully. First, its present members are highly qualified and politically moderate. Professionally, four are professors of law, three are lawyers, three are judges, and one is a diplomat cum intellectual. An estimated 80

percent of bills sent to the House first passed through the Council. The Council found one out of eight to be inconsistent with the constitution. These were consequently amended. Most of these bills pertained to relations with foreign nations and institutions, very few were related to civil rights issues. In an interview, the President of the CC stated that not a single decision of the CC has been overturned by the President. The CC took an active role in examining legislation. In addition to what was sent to it, the CC began to alert the President to other bills that seemed potentially inconsistent with the constitution. In April 1990, several far-reaching changes occurred. First, the CC was constituted by a law rather than by a presidential decree. Second, it was given financial and administrative autonomy. Allocations are made for it through the budgetary process, and it is no longer attached to the office of the Prime Minister. Financial authority is vested in the CC President. Third, and most important, most bills now must pass through the CC before they go to the House. This means that they are no longer left to the discretion of the President. The compulsory submission affects all bills pertaining to civil and human rights, family matters, education, health, electoral laws, and laws concerning association, press, and political parties. If the CC had held these powers before, the current laws of assembly and association would most likely be more constitutional. Furthermore, the conflicts between the regime and the opposition regarding these laws would have been avoided. Submission of bills pertaining to other matters remains at the discretion of the President. Finally, the number of Council members has been reduced to nine and the term of service has been left unspecified.

The CC has also acquired the power to stop the passing of amendments to bills made in parliamentary committees if it believes the amendments are unconstitutional. Initially, the CC's power to preview legislation gave it the opportunity to reject or make changes in a bill presented to them by the President. Potentially, Parliament could then introduce unconstitutional changes to the legislation that would escape the scrutiny of the CC. Now, however, the CC can examine amendments made by the legislators to insure that they too are consistent with the constitution. In other words, their power is no longer limited to preview, but has also come to include review of legislation.

Apparently there has been some discussion inside the CC and with other officials of creating a constitutional court. This idea is still in its early stages, but is slowly gaining support. At this early stage an international conference on the rule of law may be useful. The conference could include a paper or papers on constitutional courts in other countries which might make the idea more acceptable to Tunisians.

3. The Economic and Social Council (CES)

This council was created by the Bourguiba regime. President Ben Ali modified it by appointing individuals from across the political spectrum. The CES is composed of experienced and professional individuals who can usefully inform legislation. The purpose of the CES is to provide advice to Parliament on social and economic aspects of legislation. Moreover, the CES has the right to consider

social issues that are not under consideration by Parliament and to make reports to officials. This body could have a salutary effect on legislation and is worth considering for possible support by A.I.D.

4. The Judiciary

Although the judicial system itself has not been changed by recent reforms, some of its negative aspects have. First, the President abolished the office of Prosecutor General (al wikaala al 'Ammah) by law. The supervisory powers of that judiciary body dictated judgments to magistrates and had the power to transfer judges. In effect, it deprived the judiciary of its independence and integrity. Second, the President abolished the State Security Court, an extraordinary court for political crimes, including those committed by Ministers who fell out of favor and were accused. Third, the law pertaining to the profession of practicing law was reviewed and improved, and judges' salaries were raised. Although lawyers would like to have immunity from prosecution, the new law does not grant them that right.

Some lawyers still question how some of the notorious characters who formerly played the role of political prosecutors and undermined the judiciary can continue to be present in and even promoted by the present regime. They also challenge the validity of court proceedings against an editor of the Fajr newspaper, the organ of al Nahda. They also question the unduly harsh sentence against a university professor who was indicted and convicted for having made inflammatory remarks. The law applied to this specific case, but the defendant's harsh sentence seemed primarily to be a reflection of the regime's influence.

5. Organization of Political Life and the Press

New laws have been passed under the Ben Ali regime pertaining to associations and parties, the press, and elections. The primary effects of reforms in these areas are political and have a direct impact on the power of the regime and the ruling party. These reforms therefore serve as a test of the regime's will to open up the political system. Despite improvements that have occurred, the situation must be regarded with reservation.

(a) The Press

Under Bourguiba, the government strictly controlled the press, whether in print, radio, or television. Radio and television were, and remain, state-owned monopolies, and their dissemination of news is explicitly directed to serve the political interests and represent the views and positions of the regime. The printed press was also primarily owned and strictly controlled by the state. The main official newspapers under the Bourguiba regime were the French daily, La Presse, which was nationalized after independence, and the official organ of the PSD: al 'Amal (in Arabic) and L'Action (in French). Recently, al 'Amal and L'Action have been discontinued. In their place the RCD has issued al Huriyah and Le Renouveau. Al Sabah, a privately owned Arabic daily, dates back to the 1950s. In the mid 1970s, the owner of al Sabah started Le Temps. Both papers had to take a line close to

the official one, although they have improved in the range of coverage. In the early 1980s, however, the government allowed the publishing of new weekly newspapers and magazines, including Realities and Maghreb, which are both bilingual and differed from the official line more than the daily newspapers. Le Maghreb, however, was sued for defamation in early 1991 and has suspended publication. (editorial note, January 1991) There are over twenty five commercial and institutional newspapers now. Most started in the 1980s when Bourguiba began to allow some political opposition. A few have appeared since November 1987.

Under the Ben Ali regime the press has been granted greater leeway to express opposing views of their own and those of the opposition. The Trade Union Federation (UGTT) also resumed the publication of its newspaper, al Sha'b. The Islamic movement, al Nahda, has also been allowed to publish a paper, al Fajr, which expresses the views and positions of the movement. Institutionally, only UTICA and UGTT have been able to sustain publication of their own newspapers (al Bayan and al Sha'b, respectively), which are published weekly. Al Fajr was started only recently. Other parties, including the MDS, have been unable to sustain regular publication and complain about financial difficulties. Under the instructions of President Ben Ali, the legal opposition press and institutional presses, such as that of the UGTT, are granted nearly a 50 percent subsidy for newsprint.

The new press law allows more freedom, although it leaves a great deal to be desired. Authorization to publish a paper must be obtained from the government. Deference paid to the President and members of his government prevent the press from expressing itself freely and disclosing corruption. Foreign embassies can sue newspapers, and governmental seizure of the papers could result from their action. However, under the 1988 law, the authority to seize a paper is vested in courts rather than in the Ministry of the Interior. Three papers, two belonging to the opposition, have recently been seized and suspended under this law. In these cases, however, it was the government, rather than foreign embassies, which initiated the proceedings. U.S. sources in Tunis indicate that seven papers in total have been seized, with two additional papers suspended. Moreover, several journalists have gone to court to answer for their papers and one was recently sentenced to six months suspended sentence for his reporting. Charges are pending against another editor. This constitutes a substantial increase over the last two years.

There is currently less pre-publication censorship than before. Editors no longer have to report to the Interior Ministry and wait for approval before publishing. It is now the responsibility of the printing press to report to the Ministry what it prints. In practice, the material sent by the press goes to a depot and if authorities want to check it, it is available. In many cases the authorities have used this mechanism to prevent the publication of certain issues. Issues can also be withdrawn from the market after publication, and newspapers can be suspended. Human rights agencies and the U.S. government have both noted minor infractions in press freedom in recent years. Two opposition leaders, Jalloul Azzouna of the PUP, and

his lawyer, Radhia Nasraoui, have been tried and imprisoned for allegedly defaming the head of state and publishing communiques without authorization.

Though the law has been used sparingly against newspapers and magazines, it has been used heavily against the al Nahda paper, al Fajr. The ninth issue of al Fajr (June 16, 1990) was seized and the paper was suspended for three months. The paper's editor is being tried for publishing a statement made by the head of the movement, though many independent observers do not believe that the published matter justifies prosecution. Other restrictions against the paper include limiting the number of issues it can publish to 40,000 and limiting them to a printer they do not want to use. The printer, moreover, holds back the paper for 24 hours after it is ready before releasing it. These tactics are illegal and reflect the continued willingness of some officials to contain the opposition illegally when legal means are not available.

In general, though, the press has been hampered by its own timidity. There is a climate of self-censorship among newspaper editors. Some feel that this is a long-standing habit which will be overcome with time. Others feel that this self-censorship continues to be inspired by uncertainty about the regime's intentions regarding public freedoms. Most opposition papers have not appeared in the last few months. Although opposition leaders attribute this to the unfavorable publishing environment, this explanation seems inadequate.

Finally, it should be noted that newspapers and magazines from other Arab countries and from Europe and other parts of the world are freely available in Tunisia. The country also receives television programs from France, Italy, and other European countries. Some interruptions have occurred recently in the transmission of the French station Antenne 2, apparently both for technical reasons and because of its reporting on Tunisia.

In summary, freedom of the press has improved under the Ben Ali regime, but censorship and other severe limitations on the press continue. Administrative seizures of some issues of newspapers have also occurred.¹ Another positive development is the emergence of a large number of independent magazines and a greater diversity of views, some of them strongly critical of government policies. The change in the status of the press corresponds with other reforms in political life under the Ben Ali regime. As with these other changes, the change in the status of the press has been characterized by modest progress. Full freedom of expression and political competition remain to be realized.

(b) The Law of Association

This is a new law passed in 1988 to replace the old (1959) law covering the creation of social, political, and cultural organizations. Its main effect has been to facilitate the establishment of such organizations. Each new organization must

1 More newspapers have been seized by the authorities since this report was written (Hauik).

register with the Ministry of Interior; if the Ministry does not reply within three months, the organization can operate legally. However, a number of restrictions remain, enabling the government to exercise a fair degree of control over organizations.

(i) UTICA (Union Tunisienne de l'Industrie, Du Commerce, et de l'Artisanat)

The union of entrepreneurs, UTICA, was originally founded by the PSD (now the RCD) and is still part of the official party. No structural changes have been made to it since 1987. However, in practice UTICA is becoming more independent and more politically active. The catalyst for this process was the separation of the RCD budget from the state's budget. As a result, the ruling party is now more dependent on its members and affiliated organizations. UTICA has become an important source of financial support for the RCD. In return it demands to participate in decision making. For instance, in the last legislative and municipal elections, UTICA lobbied for more seats. Members of UTICA who were displeased with the results refused to help finance the campaign. UTICA leaders have also been urging their members to become more active inside the RCD in order to influence decisions and prevent the ruling party from overlooking the interests of the business community.

The new political role of UTICA has given it greater political power and some measure of autonomy from the RCD leadership. In the past, as explained by UTICA's secretary general, influence flowed one way: from the RCD to UTICA. Now it has become reciprocal. In effect, this trend goes in the direction of pluralization and democratization.

(ii) UGTT (Union Generale des Travailleurs Tunisiens)

The Tunisian labor federation is one of the oldest public affairs institutions in the country, comparable to the Destourian party (the precursor to the RCD). Moreover, it was started independently from the Destourian party in 1946 when it split from the French Trade Union Federation. However, struggling together with the Destourian party in the struggle for independence, along with the preeminence of Bourguiba, brought the UGTT under Destourian hegemony. The UGTT leadership did not, however, passively accept this. A bitter struggle resulted between the regime and the UGTT. As a result, many UGTT leaders were jailed. The regime finally managed to split the UGTT into two organizations in the 1980s, but the two parts were reunited in 1985. To Ben Ali's credit, the differences between the two factions that persisted after 1985 were resolved. Since the new elections in 1988, an atmosphere of cooperation has continued to develop between the state and the UGTT.

Through the office of the Minister of Social Affairs, the regime has also played an important role in the successful and continuing negotiations between UTICA and the UGTT. This is an area of major concern for the regime, since employment and economic growth are both critical for the country and for the survival of the regime itself.

The UGTT is independent of the RCD (unlike UTICA), although it cooperated with the RCD in the last legislative elections. While they did not represent the UGTT as such, three members of the UGTT were elected to Parliament on RCD lists.

The UGTT has some financial resources, including business enterprises, and therefore has the potential to exist independently. Like UTICA, it publishes a weekly newspaper of its own. It is now forging a stronger role as a trade union syndicate and underplaying its role as a political organization. This is not to say that it plans to be non-political, but rather that its political self-image as a rival and challenger to the state is changing. In this respect, suggestions to assist UGTT leaders in areas of training are important. UGTT has expressed its appreciation for USAID/Tunisia's assistance in this regard. Since UGTT is a critical factor in the democratization process, continued support for this organization is extremely important. With the help of some international assistance, UGTT is currently establishing an institute in Tunisia to train its cadres. UGTT leaders expressed their desire for the Mission's assistance in this undertaking.

(c). Human Rights

In the first year after its accession to power in November 1987, the Ben Ali government took a number of important steps to improve human rights conditions in Tunisia: releasing some 8,000 political prisoners detained by the previous regime; revising laws dealing with imprisonment and pretrial detention; abolishing certain legal mechanisms used by the previous regime to prosecute political arrestees; permitting various domestic and international human rights organizations to operate openly in Tunisia and maintaining a dialogue with these organizations; ratifying the U.N. Convention on Torture; and introducing the subject of human rights into school curricula. Nevertheless, some human rights violations did occur in this period, including a few cases of torture or other mistreatment of detainees and the continued surveillance of certain political figures. These violations notwithstanding, the Ben Ali government was widely applauded for its human rights record during its first year in office.

Since early 1989 few advances have been made in human rights conditions in Tunisia, and some deterioration has occurred. An amnesty was declared that restored political rights to some 5,500 former political prisoners. Seventy two people arrested in 1987 on charges of plotting to overthrow the government were released from prison. The GOT also permitted two more human rights organizations to operate. However, torture continues to be "widespread," according to a September 1990 Amnesty International report. Nearly 50 cases of torture have been reported since early 1989, including at least 12 in the first half of 1990. Several arrestees have died while in custody under suspicious circumstances. Arrestees are often held incommunicado for long periods in violation of the detention law, and some have been tried in ways that Amnesty International considers unfair. The GOT has increased its political surveillance activities and routinely harasses members of the opposition in various ways. Torture and other abuses are apparently condoned by senior government officials. The GOT has made little effort to investigate these

abuses or respond to inquiries about them by human rights organizations. The laws covering arrest and detention remain unfair, according to many observers.

Tunisia is well-served by the Ligue Tunisienne Pour la Defense des Droits de L'Homme (LTDH), a very active and widely respected human rights organization. Although the GOT occasionally harasses the LTDH, this organization continues to operate and has been instrumental in publicizing human rights abuses and pressuring the GOT to improve its human rights record. The LTDH, financed by its members and by certain independent international organizations (including AMIDEAST, under a grant from USAID/Tunisia), operates on a shoestring budget. Monetary constraints clearly hinder the effectiveness of the LTDH. This report recommends below that support for the LTDH be increased.

As mentioned above, the Bourguiba regime maintained a fairly progressive stance on the issue of women's rights. It passed a number of favorable laws and helped to establish a women's rights organization, the Union Nationale des Femmes Tunisienne (UNFT), which remained closely tied to the ruling party. However, very few women occupy top positions in the government, political parties, or even private organizations and corporations. The role of women in the cabinet and senior RCD positions has declined since November 1987. Tunisia's Arab-Islamic culture remains an important constraint to progress in this area, and the rise of the Islamic movement leaves many Tunisian women uneasy about their future. Since the advent of the new regime, little has changed. Several independent women's organizations have been established in the last few years. Although these organizations remain small, they appear to have the potential to grow in size and influence. The UNFT remains the largest women's organization in the country, but it is still closely tied to the ruling party, which has thwarted recent attempts to bring independent leadership to the organization. Since no meaningful and democratic participation can take place without including women, who constitute half the population, this report recommends below that selected women organizations be given support.

III. CURRENT DPI-RELATED ACTIVITIES AND THEIR IMPACT

USAID/Tunisia is currently carrying out a number of activities that make important contributions to the promotion of democratic pluralism in Tunisia. These activities include the Private Sector Revitalization program, the Agribusiness Promotion program grant (under design), and the training project and local currency programs supporting Marketable Skills Development, as well as several smaller activities. USAID has also proposed or begun developing a number of other activities that will play important roles in DPI. Additionally, the ongoing activities of the Embassy and USIS/Tunisia make important contributions to the overall U.S. effort to promote democratic pluralism in Tunisia. Because the DPI team only had time to examine the Mission's human rights support project and USIS/Tunisia's activities, the comments in this section on other Mission activities are necessarily brief.

The Private Sector Revitalization project focuses on three key areas: (1) support for the GOT's privatization program, (2) trade and investment promotion, and (3) the development of financial markets. It is complemented by housing guarantees and technical assistance aimed at enhancing urban services and infrastructure. As discussed previously, strengthening the private sector is an important priority in the promotion of democratic pluralism in Tunisia. Consequently, the Mission's activities supporting privatization, trade and investment promotion, and financial markets promotion, all serve to strengthen the Tunisian private sector and enhance competition contribute in important ways to DPI. Similarly, those aspects of the Agribusiness Promotion project that facilitate privatization or strengthen the private sector also contribute to DPI.

The Marketable Skills Development activities are aimed at: reducing unemployment and promoting economic growth by helping to improve and facilitate the GOT's employment policies; providing job training and employment to Tunisian youth; and promoting more advanced job training in the areas of science, business, and management. Unemployment has grown in Tunisia during the last few years and currently stands at around 16 percent. Unemployment is particularly severe among Tunisians aged 18 through 24, of whom approximately 30 percent are unemployed. The high unemployment rate is an important and potentially explosive source of unrest in the country. In light of these problems, the Marketable Skills Development activities are central to the Mission's DPI effort. In particular, the local currency elements that help to promote employment among disadvantaged Tunisian youth are critically important. The technology transfer training project is also beneficial to DPI. It strengthens the private sector through advanced job training and improves the employment status, and consequently the political influence, of Tunisian women.

Several smaller activities of USAID/Tunisia fall directly under the rubric of DPI. Through AMIDEAST, it assists the Tunisian League for Human Rights (LTDH), a widely respected organization that plays a key role in monitoring human rights

conditions in the country, and keeps pressure on the GOT to improve these conditions. This assistance consists of financial support to enable LTDH members to attend human rights conferences and seminars abroad, support for conferences and seminars in Tunisia, and support for equipment such as computers, typewriters, and copiers. USAID has also provided financial assistance to the human rights library at the Center for University Research in Tunis. The USAID Mission's human rights assistance has come at a crucial time, both because these organizations are fairly new and financially strapped and because human rights conditions in Tunisia remain problematic. For these reasons it is extremely important that this assistance not only be continued but increased, if possible. Some specific recommendations are made below about how this assistance could be increased.

An integral part of the U.S.A.I.D. Mission's human rights support project is its effort to strengthen women's organizations and the rights of women in Tunisia. To date, the Mission's main effort in this area has been to provide support for various activities to the National Union of Tunisian Women (UNFT). Although the UNFT is a large organization with a good infrastructure, its close ties to the ruling party hinder its ability to act as an independent advocate for women. Several other Tunisian women's organizations exist with whom the Mission has ties, including the Association of Democratic Women, the National Chamber of Women Business Presidents (Chambre Nationale des Femmes Chefs D'Enterprise), and the UNFT's semi-autonomous Commission for Women's Rights and Alliance of Women in Juridical Careers (Alliance des Femmes de Carrieres Juridiques). Because women still have little political influence in Tunisia, the Mission's support for women's organizations should be increased and broadened to include at least some of these other organizations. A recommendation to this effect is made below.

The Embassy, through its labor attache and USAID, has assisted Tunisia's Trade Union Federation, the UGTT, by sending some of its members to the United States to study bargaining techniques. Although the main impact of this intervention will presumably be in labor-management relations, it will also indirectly strengthen the voice of labor in domestic politics and thus contribute to democratic pluralism. Although the UGTT is already well-established and quite influential in Tunisia, strengthening it further is an important priority in Tunisia's transition to a more pluralistic regime.

Two other activities are currently either being planned or considered by USAID/Tunisia under the DPI strategy. USAID, through RHUDO, the regional housing office, is currently planning to provide various kinds of assistance to the GOT in its efforts to decentralize urban (or municipal) management. By increasing the authority of local-level officials and facilitating popular input into public policy-making, these efforts help to promote democratic pluralism. The GOT has also embarked on a wide-ranging decentralization program covering various other areas of public administration.

It is recommended that the Mission examine in more detail how it can strengthen urban/municipal management and assist the GOT in its decentralization and deregulation programs. Consistent with the argument laid out in this analysis,

decentralization and deregulation contribute to delinking the dependency relationship between a bound up citizen and an overbearing administration. Such a process is essential for liberating citizens and providing them with the basis for autonomous action.

Yet another potential sphere for integrated action (Embassy, USIS, USAID) in Tunisia, is a public debate on multi-party politics. The idea is to organize a conference that will focus on the transition to a multiparty system in Tunisia. As discussed in this report, this transition and the nature of the party system in general are critically important issues in Tunisia today. Such a conference would make a valuable contribution to DPI by generating useful ideas and contacts among party leaders and other relevant political figures. Public debate would heighten the awareness of the elite and the public and would provide insights from the experiences of other nations which have gone that route. The idea of holding such a conference should be pursued further.

USIS/Tunisia has a number of ongoing activities that also promote democratic pluralism. It provides a variety of services to the Tunisian press, including seminars, speaker series, programs to train journalists in the United States, and informational services (such as its wireless file). In light of the inadequacies of the Tunisian press, these services are of fundamental importance to the overall U.S. DPI strategy in Tunisia. USIS/Tunisia is currently planning to organize a conference on the rule of law in Tunisia with support from USIA and the Department of State. Such a conference would stimulate ideas, contacts, and debate about a critical issue in Tunisian politics and would therefore make a valuable contribution to the DPI strategy. The Fulbright and other exchange programs that provide education and related activities in the United States have helped to spread democratic ideas and attitudes in Tunisia and therefore have also contributed to democratic pluralism. These programs should be continued and modified to increase their contribution to DPI.

This review of current DPI-related activities indicates that the U.S.A.I.D. Mission in Tunisia has made considerable progress in formulating and implementing an effective DPI strategy. In light of the foregoing review of the political, economic, and social environment in Tunisia, two other broad areas of opportunity should be pursued. First, the Mission should strengthen and/or invigorate non-governmental organizations that are, or potentially could be, active in Tunisian politics, both to enhance the caliber of public debate in the country and to further pluralize its political system. This report recommends that the Mission take certain steps to strengthen and/or invigorate opposition political parties and other political, social, and cultural organizations. Also, it should enhance the caliber of public debate by undertaking an outreach effort to al Nahda, supporting the development of a public opinion polling capability, and encouraging the GOT to open up the television media to opposition parties and other voices in society. Second, the Mission should take steps to enhance the ability of the GOT to conduct research on social, economic, and political problems and apply this research to public policy-making. To the extent possible, this should be done in ways that encourage

the GOT to bring talented private citizens into the research and policy-making processes. It is recommended below that the Mission strengthen the research capabilities of the Social and Economic Council and the Parliament.

IV. ECONOMIC AND POLITICAL LINKAGES

Since Tunisia signed on with the World Bank in 1986 and agreed to undergo structural adjustment, the GOT has taken significant steps toward economic pluralism: privatization of enterprise, deregulation, and promotion of both foreign and national private investment. These developments empowered a larger number of people within Tunisian society and reduced the leverage the state has enjoyed over domestic organizations and individual citizens.

Should it be successful, economic liberalization may decrease the Tunisian populace's dependency on the state. How willing old and new entrepreneurs are to remain independent from the regime is uncertain. There is a reluctance and caution toward exercising and enjoying officially declared liberties, particularly in the press and in the business community. This may well be a matter of habit, as many of the Tunisians we interviewed stated. Caution and continued timidity by entrepreneurs and journalists toward the state may well be a passing phase. It may be too early to speak of a confrontational relationship between these two groups and state authority. However, interesting changes have occurred which have the potential of breaking the dependency link.

Movement toward economic pluralism has included steps toward divestment, deregulation, and the promotion of private enterprise. Economic pluralism in the context of the dirigiste system of Tunisia will be discussed in order to demonstrate its subtle impact on the political process. Past economic and bureaucratic controls incapacitated and silenced dissent of Tunisian citizens, who found themselves in need of official approval for every step they took in their daily lives. The process of democratization under Ben Ali may seem too limited to make a difference, but it assumes a greater significant in delinking economic activities of citizens and state controls.

A remark by a presidential advisor best illustrates the political relevance of an open market economy. He stated that economic reform has been the product of a redefinition of the role of the state from one in which the government acted as owner-manager of enterprise to one in which it is a promoter of citizens' economic enterprises. In the words of a former governor of the Central Bank and now a leading policy maker under Ben Ali:

Our policy is aimed at shifting responsibility to the Tunisian citizen and disengaging the state. The latter cannot be in charge of everything. The idea of the state as a providing patron (etat-providence) is outdated. . . The state's role should be one of helping, encouraging, providing information, and drawing the general policy lines.

The beginning of democratic wisdom is for the state to view its role in modest but positive terms. Tunisians have discovered a major part of their democratic

impetus in redefining the economic role of the state. Formally, in the past two years they have also redefined the political role of the state in democratic terms.

1. Privatization

Before undertaking any divestment measures, legislation was passed in 1985 and 1987 to regulate the process. These laws, however, were complicated and difficult to implement, primarily because they merely created additional bureaucratic obstacles. In February 1989, however, a new law was passed creating a single governmental agency in charge of privatization: La Commission d'Assainissement de la Restructuration des Entreprises et de la Participation Publique (CAREPP).

A "public sector firm" was redefined in the various privatization laws to free many enterprises from official managerial controls and to reduce controls imposed on these enterprises by the state. Prior to 1985, a "public enterprise" was defined as one in which the state owned at least 10 percent of the capital shares. The 1985 law raised the limit to 34 percent, and the 1988 law raised it again to 50 percent. Those firms which were no longer considered public gained the freedom to manage their own affairs. As a result, the number of public sector enterprises fell from 370 in 1985 to 189 in 1989. This is a form of privatization by means of formal deregulation.

With respect to state-owned firms in which the state's share has been completely or partially sold, the official total number of privatization transactions is 38 enterprises, which are worth some 92 MD. This figure includes state-owned hotels, all of which have been sold except two. The two remaining, the Esplanade of Monastir and Le Lac of Tunis, are in the process of being sold.

Most privatized enterprises were industrial. Notable among these are the conglomerates SOGITEX and CONFORT. The manner in which these large state enterprises were divested set the pattern for future divestment.

SOGITEX is a holding company consisting of the following firms: Sitex, Somotex, Tissmok, Sovel, Pantalouisire, and several others. Like CONFORT, it was 100 percent government-owned. The dossier for Tissmock and Somotex is in the process of privatization. Sovel and Confort Electromanager were sold for their asset value. Pantalouisire was sold through the bourse, or national stock exchange. In these operations, development banks in Tunisia acted as intermediaries.

The privatization of SITEX is interesting because it is a leading example of a successfully privatized industrial firm. SITEX was a subsidiary of SOGITEX, a public sector textile and garment conglomerate which had played a pioneering role in Tunisian industrialization. SOGITEX and its other subsidiaries, however, experienced financial problems which lead to the decision to privatize SITEX. The operations of SITEX were plagued by overstaffing, poor management, and financial

deficits until 1979, when reform began to be implemented. Since that date, SITEX has turned a profit, distributed dividends, and markedly raised its capital value.

The first step of the 1979 reform was to improve its financial operations. Expert help from abroad, including the World Bank and a Canadian firm, SWIFT, assisted in the financial reform. SWIFT eventually acquired a major share in SITEX. SITEX improved its sales performance, particularly export capability, through modernizing its marketing management. By the time SITEX was sold, all of the reforms had been completed and the firm was quite solvent.

The CONFORT privatization represents a difficult privatization. The company was heavily in debt; its losses constituted several times the value of its assets. Under the circumstances, financial reform did not appear to be a viable proposition. Its debt to the state alone rose from 4.5 MD in 1983 to 15.6 MD in 1988. Total debt for the same period rose from 14.4 MD to 38.6 MD. In effect, the company's assets in 1988 were far less than its debt: 13.9 MD to 38.6 MD. Moreover, labor was militantly opposed to privatization. Few observers thought that the government could tidy the company up financially and make it attractive for sale.

The sale of CONFORT should thus be considered an indicator of the strength of official will and seriousness of purpose. Recognizing the prohibitively high cost of cleaning up the firm financially, the state accepted a loss on past investments. It was clear that in order to stop the financial drain of CONFORT operations, the state had to accept that the company was too costly to clean up financially. By agreement with the creditor banks, the firm was sold. The creditor banks had the right to first returns from the sale, while the government forewent its priority. In 1990, a private Tunisian entrepreneur bought CONFORT for its asset values only, the sales proceeds going to pay off debts.

(a) Labor Issues

An issue at the center of the privatization controversy is the fate of surplus workers in privatized enterprises. The UGTT, Tunisia's labor federation, is on record as strongly opposing privatization. However, in the 38 privatization cases in Tunisia, the labor problem has so far been solved satisfactorily and has avoided social or labor unrest. Workers have been compensated or retrained and resettled in other enterprises. In the CONFORT case, the company reduced its labor force from 1200 in 1983 to 830. Some were dismissed as casual labor, others through disciplinary action, and others left voluntarily. In 1989, when a private entrepreneur bought CONFORT, he agreed to accept 600 workers only. The government compensated some of the rejected workers, while others retired. At present the owner has only 500 workers. He dismissed 100 with compensation of 7000 Dinars each. In his opinion, they were "troublemakers" and militant, and not necessary to his operations. The initial hostility of workers to his takeover has given way to a more positive attitude among the workers.

In the case of hotels, there were very few dismissals resulting from privatization. Growth in business has absorbed the surplus. Most of the labor surplus, estimated at about 20 to 40 percent, however, was in the administration of the SHTT, the central hotel administration. No dismissals were reported from the SHTT, though it has only 2 hotels left under its management, and even those are slated for sale. The explanation a high-ranking government leader gave for this was that the Société Hotelier Touristique Tuniesien is preparing for a new and pioneering role in building a "conference hotel industry." This may well be so, but it will take a long time before the capital is available and work starts on the new enterprises. As in other official agencies made obsolete by reforms, SHTT employees continue to be a drain on the national economy.

(b) Buyers

The character of the buyers in cases of divestment is perhaps the most relevant issue to democratic pluralism. The numbers of buyers remain small, especially since the stock market (bourse) is quite small and was prepared for the task of privatization less than two years ago. As a result of the stock market reforms, there are now independent brokers and financial instruments, such as bonds. To encourage financial markets, the government now charges no taxes on returns from stocks and bonds. Such measures serve to raise new capital for investment and increase popular participation in economic life. Nevertheless, the government deliberately continues to refrain from selling all the shares of public firms through the stock market. The government limits stock market sales because it wants to avoid an excessive foreign presence in the economy. As one high-ranking official remarked that, given the small size of Tunisian companies, it would be quite easy for a foreign company to purchase the majority and even entirety of a company. Thus, very few foreign concerns have been involved in recent divestments. These have included a Swiss company in the three Tanits, a French firm in Stumetal, and a Moroccan company.

Employees have bought a small percentage of shares in CONFORT (15 percent equity), Stumetal (5 percent) and the state's fishing company, which was sold to 30 fishermen.

Privatization through the stock market remains limited, with no more than \$12 million has passed through the Bourse in four operations: Stumetal, Chafoteaux et Maury, Tunisie Bois, Comptoirs Sfaxiens. Thus far reported sales to employees and through the stock market comprise a very small proportion of total privatizations. One effect of privatization has been the increase in the number of large entrepreneurs in the business community. Democratization and pluralization calls for encouraging more employee involvement and a greater role for the stock market.

Other buyers of state-owned enterprises in Tunisia have been transnational corporations such as SWIFT, IFC (World Bank), Swiss and other European firms, and Arab banks and businessmen, mainly from oil-producing countries of the Gulf. Tunisian entrepreneurs were initially drawn to hotels and have now have started buying state-owned industries.

2. Deregulation and the Promotion of Private Enterprise

The privatization process could not have been successful if the government had not simultaneously pursued deregulation. As one Tunisian entrepreneur who bought a state-owned enterprise said, "there would have been no question of my buying the firm had price controls not been removed." The same thing is true in deregulating management. A 1989 law redefining public sector firms has freed a large number of firms from direct government management. Growth of business enterprise and ipso facto economic pluralism would be very difficult without: an environment giving business entrepreneurs freedom to set prices; freedom to hire and fire; protection from unfair advantage by public sector competition; free imports of necessary inputs; access to foreign currency; and fair treatment by the fiscal authorities. Tunisia has moved forward on all of these fronts, turning from a period of investment crisis lasting from the early 1980s until 1988 to a situation where, during the last eighteen months, new investments have exceeded expectations.

The present regime is moving rapidly in the direction of deregulation and encouragement of the private sector. Price decontrols and import liberalization have already reached 70 percent of commodities, and the process will continue until the government reaches most of its objectives by 1992. Similarly, limits on foreign currency for export have now been relaxed, and businessmen have no difficulty obtaining hard currency. There is even some evidence that industrialists have started to break away from the protectionist mentality and produce for the export market. During the past two years, exports have been the fastest growing part of the Tunisian economy. Removing export taxes and red tape has also helped. One difficulty businessmen still face is the restriction on firing workers, though there seem to be government sponsored negotiations between the UGTT and UTICA regarding this matter. In recent correspondence with the Minister of Social Affairs, the UGTT agreed to negotiate.

One of the great advances introduced by the government has been the reduction of the restrictions and requirements for starting a business. In the past, obtaining a licence to start an enterprise would require reporting to many ministerial offices. Now one only needs to inform the Agency for Promotion of Industries (API) and the Department of Customs, Municipalities and Social Security. To simplify his/her task, API has created a single window where this transaction can be carried out with the necessary authorities. Thus an applicant can complete the whole transaction within the spatial sphere of 25 feet square. The practice, however, is still new and not working smoothly. More attention and good will are needed to reach the desired goal. One of the main obstacles is that simplification of bureaucratic procedure reduces the need for officials and increases their feeling of

insecurity. Obstruction of the reforms has thus become a form of self-protection. The leadership of API must create new functions for these individuals in order to reduce the resistance to simplification. For example, there is a need to improve the level of information on the latest technologies relevant to the various Tunisian industries whose fate could be seriously affected by the introduction of new technology. [Entrepreneurs who request government assistance, such as subsidies or infrastructure, have to obtain authorization from API if the project costs less than 2 MD, and from the governor of the province if it costs less than half a million.]

Another interesting program is the introduction of computers to provide local businessmen and private citizens the information they need in order to deal with government offices. With help from the French, this assistance program is being implemented at the provincial and local levels. This program is still in the very early stages of implementation and has not yet been mastered by its users. Its full potential may require some further consideration. Reform measures such as this give citizens and organized groups greater autonomy in their affairs and less dependency on the state and ruling party.

Another positive step has been the reduction of paperwork in the various branches of government. Reform of administration and reduction of red tape have also been extended to provincial and municipal levels. A 1989 law revamped the existing provincial government and created a regional council with a separate budget independent from the line ministries of the central government. Thus governors now have more authority to resolve local problems and more autonomy over their budgets. By reducing the hold of the government on ordinary citizens and facilitating business enterprises for small entrepreneurs, these changes contribute significantly to democratization. It is recommended that opportunities to invigorate the process of local governance be investigated.

V. CONCLUSION AND ANALYTIC SYNTHESIS

The assigned task was to study existing political and economic conditions in this transitional period in Tunisia with the purpose of contributing to the democratization process. Key components of democratization include the following: electoral contestation, the rule of law, freedoms of speech and association, decentralization, and social stability. The DPI strategy recommended supporting to those aspects of the democratization process that the USAID Mission is best equipped to promote.

An emerging democratic system can be strained by the same cultural and economic factors present at the time of independence. In Tunisia, culturally there is the secular-religious conflict, as well as the presumption that the government should provide basic needs and services to the population. Economically, the country remains underdeveloped. These factors led in turn to a "neo-feudal" and implicit pact between the powerful state and the powerless subject, in which the former assumed the role of employer and provider. The result was an administratively and politically dirigiste state and, economically, an etatiste system.

The failure of dirigisme and etatisme is the impetus for moving to a more democratic system. Breaking the shackles of state hegemony requires more than formal changes of legalistic nature. To achieve a sustainable democracy, it is imperative that the indigenous political culture of Islam and Arab orientation be allowed to express itself. In addition, economic power must be dispersed widely to empower citizens and stimulate development. Ben Ali's regime has attempted to enhance citizens' rights. These efforts are obstructed, however, by his refusal to accept the risks to his ruling party inherent in political liberalization. The regime will accommodate the indigenous trend only to the extent that it is convenient, while still guaranteeing the perpetuity of the secular and Westernized elite. The difficulties inherent in these contradictory reform trends explain the serious limitations on democratization in Tunisia today.

The purpose of this assessment is not to resolve the contradictions inherent in the reform attempt. No political regime willingly gives up power or introduces measures that will rapidly alter its character. Under pressure, however, the Tunisian government is gradually accepting a controlled transformation. In addition to measures of change allowed by the regime, this assessment focuses on those that are not currently allowed but are nevertheless possible to support, and which hopefully would contribute to fuller democratization.

Based on the preceding diagnosis, the democratization process in Tunisia will have to resolve the cultural conflict to prevent an eruption of violence. Hence, one recommendation in the following section is to strengthen the electoral process and increase freedom of association. Through these measures, the Islamists and nationalists could express themselves in a politically meaningful and legitimate manner, rather than being repressed by the secularists. Thus freedom of expres-

sion would allow a contest between two different "parties" offering the voters real choices. Another recommendation below is that the unrecognized al Nahda party be given some attention. It has strong popular support and may eventually become the ruling party. Also, in its burgeoning form it has diverse shades of opinion and factions. Some of these wings and a major group in al Nahda have a democratic orientation. Assisting in an effort to bring this movement into the legitimate political arena would strengthen the democratic tendency. The same tendency exists in the very powerful Islamist student union, the UGTE.

In the same vein, other recommendations suggest continuing support for the secular forces through the human rights organization and the small opposition parties that are basically of the same ideological and elite character as the ruling party.

The second strategic thrust has been to resolve the social conflict. As indicated, the tendency for the government to assume political and economic hegemony has been the product of the legacy of poverty and weakness of citizens. That is a massive problem; the question of how to empower individual citizens sufficiently to balance the power of government will not be addressed here. It is recommended, however, that a parsimonious and limited strategy already in line with existing trends be followed. This would entail supporting official efforts in divestment, decontrol, and decentralization. Eventually, stronger civil and economic organizations to counter-act the power of the state will emerge.

The recommendations include ways that USAID can continue to support privatization measures and stock market development. They also stress strategies for delinking citizens from the economic grip of the state. As the state decontrols economic life, the private sector will become less encumbered by bureaucratic red tape. Freeing citizens from bureaucratic hurdles is to free them from the political power of the ruling party. In light of this observation, it is recommended that economic reform measures be supported. Unless citizens and corporations are freed from the bondage imposed on them by an all-powerful official apparatus, they cannot freely participate in political contestation. What is needed, in short, is the pluralization of politics by strengthening the independent initiatives of political actors, such as parties, trade unions, business organizations, student groups, the press, and other associations. Processes of reform started by the regime that promote pluralization of politics can be seen in the increasing liberty of the press, the improved status of the rule of law, divestment, decontrol, and modest improvement in electoral contestation. The priority recommendations we have made fall in line with these considerations.

Because legal reforms and the introduction of freedoms of expression and association contribute to the processes of delinking and of peaceful cultural contestation, suggestions include strengthening and widening openings created by the new official reforms. Thus the emphasis on the rule of law and on multipartyism which heighten awareness and knowledge of these subjects. Also strengthening of the press and increasing the flow of free information would

contribute to making the cultural contest peaceful and through non-coercive persuasion rather than through violent means. Moreover, it would enable citizens to be in a better position to make political choices.

Reform in Tunisia today is in a "holding" pattern and is in need of a push. USAID activities can help by consolidating what has been achieved and injecting new dynamism into the transition process started by Ben Ali.

In short, the AID strategy defined here would help resolve Tunisia's cultural and economic conflicts peacefully and democratically. The overall strategic consideration has been to make sure that a balance is struck between the opposing wings rather than to pour largesse into one side. The support of Islamists is difficult to accept because of the shared suspicion of Tunisian secularists and foreigners. Economically, the trade union movement holds great promise in the pluralization process. Hence the recommendation to accentuate the Mission's already positive support for it. The support of various social and economic groups falls in line with the goal of strengthening civic society.

VI. RECOMMENDATIONS FOR ACTION

This section presents a number of concrete recommendations for a Tunisian DPI strategy that are based on the analysis provided above. Recommendations were formulated under the assumption that the country team can provide only modest support for DPI in Tunisia. Accordingly, the recommendations are cost-effective and utilize the special expertise of the Mission in Tunisia, i.e., of USAID/Tunisia and USIS/Tunisia and the Embassy. In light of possible political ramifications, certain recommendations were forgone. Recommendations are divided into three categories according to their relative priority.

A. High-Priority Recommendations

The high ranking of the following activities is based on the assumption that the democratization process consists of strengthening civil society and reducing state hegemony. Achieving the democratization objective requires placing a premium on some mechanisms that contribute to the process in Tunisia. These include the delinking of citizen's political activities and state economic regulations, freer expression of ideas and of association, and the diffusion of the cultural conflict by allowing both secular and Islamic ideological orientations to co-exist and compete normally and peacefully.

1. Human Rights

The kinds of assistance currently given to the LTDH and other human rights organizations should be expanded. In addition, the Mission should assist the LTDH in two new activities it is interested in carrying out. The first is a series of educational seminars to be held both in Tunis and in outlying areas for the purpose of increasing the level of awareness among LTDH members and the general public about human rights matters. The second is an expansion of the LTDH's technical capabilities for publishing and disseminating material on human rights. In particular, the LTDH would like assistance in publishing a regular newsletter. These two activities would make important contributions toward improving the human rights situation in Tunisia by raising the level of dialogue on this issue and increasing the pressure on the GOT to improve human rights conditions.

2. Labor

The Mission should expand its assistance to the UGTT. The project under which nine UGTT members were sent to the United States for advanced training was very well received and should be continued in the future. In addition, the UGTT would like assistance in its current effort to establish an institute in Tunisia to train its members in bargaining techniques and other matters. This report suggests that

the Mission discuss further with the UGTT specific ways in which it can facilitate this effort.

3. Political Parties

The development of strong, independent political parties are vital if Tunisia is to make the transition to a full-fledged democracy. Unfortunately, legal and political considerations prevent AID from directly assisting the political parties. However, this report recommends that the Mission continue sending political party leaders to the United States or other appropriate countries. There they could participate in seminars and related activities which focus on various relevant issues, such as the role of parties in a democratic political system, party strategy and tactics, fund-raising, and other organizational matters.

4. Outreach to al Nahda

Given the political importance of al Nahda as the major representative of a distinct ideological orientation widely shared in the country and as a viable alternative to the main and official ideological stream in Tunisia, it is extremely important that the Mission make an effort, to draw out this organization and strengthen its professed commitment to democracy. The Mission should work toward this end in a number of ways. A concerted effort should be made to target Fulbright grants to top members of UGTE, the al Nahda-affiliated university student organization. If possible, other opportunities should be found to enable al Nahda members to travel to the United States or Europe. Special efforts should be made to invite al Nahda members to U.S.-sponsored functions in Tunisia, such as conferences, seminars, and social events. Continued isolation of the movement may lead to strengthening non-democratic forces impinging on al Nahda and increase the tendency toward violence. The measures suggested above would have the effect of reducing the isolation and the chances for a violent alternative.

5. Associations

Tunisia has relatively few political, social, and cultural organizations. The relative absence of such organizations makes it difficult to promote political pluralism and tends to generate alienation and discontent, especially among the youth and unemployed, who find little outlet for their frustrations. This report recommends that the Mission take steps to strengthen la vie associative in Tunisia by seeking out appropriate organizations, particularly those involved in community development, and finding ways to strengthen them.

6. Public Opinion Polling Capability

Public opinion polling is the most effective way to determine the attitudes of the common people on political, social, and economic matters. As such, it plays a critical role in the functioning of most modern democracies. Public opinion data can serve to provide popular input into the state's policy making processes. It can be extremely valuable to political party leaders in judging the public mood and, therefore, in representing their constituencies and positioning themselves on critical issues. It can also be a valuable source of information for journalists, who can not only report public opinion findings, but also use these findings to guide their investigative inquiries. Public opinion data can also be quite valuable to the United States in its efforts to monitor domestic politics in countries like Tunisia.

Unfortunately, almost no public opinion polling on political matters is being carried out in Tunisia today. This report recommends that the Mission find ways to support the development of public opinion polling capabilities and the dissemination of public opinion findings in Tunisia. It is essential that this be done through a widely respected organization that is independent of the government and of all political parties and movements. One such organization that might be suitable is the Centre d'Etudes et de Recherches de la Faculte de Droit, Tunis III (CERP).

7. Employee Based Assistance

One element of the government's privatization program is an effort to enable employees to buy stock in newly privatized corporations. This is an important aspect of economic pluralization that contributes to political pluralism by strengthening the voice of the affected employees in economic policy making. This report recommends that the Mission establish a loan or guarantee program to help finance employee stock purchases in newly privatized corporations. Such a program could be modeled on one carried out by USAID/Egypt in conjunction with the privatization of the Alexandria Tire Company.

B. Medium-Priority Recommendations

These recommendations were assigned to a second order priority because they consist of activities of secondary nature, or because they contribute to long term goals and to a general state of mind rather than to an introduction of democratic structures. The other considerations which went into the making of these decisions include: (a) the particular and limited nature of the group whose support is recommended, and (b) the limited scope of action open for the Mission to work with those organizations and/or groups.

8. Rule of Law Conference

USIS/Tunisia is planning a jointly sponsored conference on the rule of law in Tunisia. A wide range of relevant Tunisian personalities have expressed enthusiasm about the idea. This report recommends that this conference be held. It is essential that such a conference be organized by or through an organization that is independent of the government, such as the LTDH. It should have a comparative focus, enabling Tunisians to gain an awareness of legal conditions in various other countries. A particularly relevant topic to be discussed at the conference is the nature and functioning of a constitutional court, an institution which would be very valuable in Tunisia. Such a conference would be especially useful if it were organized in an integrative way, i.e., if it would serve to bring together into one forum the RCD, opposition parties, representatives of al Nahda, appropriate women's organizations, the LTDH, and others.

9. Multipartyism Conference

NRA/NDI recently proposed holding a conference on the transition to multipartyism in Tunisia, although the idea now seems to be on hold. Many relevant Tunisians have responded favorably to the idea. This report recommends that such a conference be held. As with the rule of law conference discussed above, it is important that it be organized independently of the government and that efforts be made to give it an integrative character.

10. Women's Organizations

USAID/Tunisia should increase its support for women leaders and diversify its assistance to women's organizations. Although the UNFT is well-organized and well-established, it is closely tied to the ruling party and lacks autonomy. This report recommends that the Mission consider supporting the Organization of Democratic Women and the Chambre Nationale des Femmes Chefs d'Enterprise, both of which have been organized recently and seem quite promising. The Mission should also consider giving assistance to the Alliance des Femmes de Carrieres Juridiques to continue its research and update its Guide Juridique.

11. The Press

Existing USIS/Tunisia programs to assist the local press, such as the seminar series on the press and opportunities for journalists to travel to the United States and other countries, should be expanded. In addition, the Mission should explore ways to work in cooperation with the GOT to provide technical assistance (e.g., computers and equipment to receive international news and wire service transmissions) to the independent press. To encourage both the government and jour-

nalists to work toward a more independent and inquisitive press, the Mission should continue sending top editors and senior officials from the Ministry of Information and other relevant government agencies to the United States and other democratic countries, especially those democratic Third World countries) to observe how the press interacts with the government.

12. Economic and Social Council

The USAID Mission should undertake a project to enhance the research capabilities of the Economic and Social Council. This potentially could have a big impact on the work of the Parliament and various government agencies. The Council needs computers, improved access to databanks, and a research library.

13. Decentralization of the Bureaucracy

Decentralization and deregulation are very important in the delinking process which limits the authoritarian nature of the state. It is difficult to make meaningful and specific recommendations in this area for several reasons. The first is that there have not been any requests made by officials for further assistance in this area. Secondly, at the time of this report an examination of regional and local government was not possible. Nevertheless, one role the Mission can play is in exploring with relevant government agencies ways in which it can assist the GOT in its efforts to decentralize and simplify the government bureaucracy.

C. Low-Priority Recommendations

The ranking in this case is low either because of the limited scope of action possible or because the agency under consideration has not shown signs of strong awareness or initiative in suggesting reform or asking for help (i.e., such as in the case of API).

14. The Informal Sector

Interesting developments are occurring in the informal sector of the Tunisian economy. The Mission should consider organizing a conference on the informal sector, perhaps with a focus on individuals' economic rights.

15. Assistance for Small Business

The ranking in the case of this recommendation is not firm. The reason is that while the importance of supporting small business to empower civil society and increase pluralization is great, so are the resources required. This category would be a second order priority if USAID Tunisia believes it possible to marshal these resources.

In order to pluralize the economy further, the Mission could continue to provide loans and other forms of assistance to small businesses which they do through section 108 funds, which are available through selected Tunisian private banks. This type of assistance could be done through promoting organizations such as the Fonds de Promotion de l'Industrie (FOPRODI) and the Fonds Nationale de Promotion de l'Artisanat (FONAPRA). The ability of these two agencies to help small businesses is currently quite inadequate because of the shortage of funding and strong collateral requirements.

16. The Television Media

Television is probably the most influential communications medium in Tunisia. However, because it is either controlled by the GOT or imported from abroad, there is no opportunity for independent television news coverage on domestic matters. Although there is slight possibility that this will change substantially in the near future, we recommend that the Mission explore ways of encouraging the GOT to open up the television media. One way to do this would be to explore the possibility of televising the rule of law and multipartyism conferences discussed above. The Mission or USIS/Tunisia should also consider approaching the Ministry of Information about helping to start up a weekly television program that would enable opposition parties and movements to gain access to the television media. Such a program could be organized in a roundtable discussion format, focusing on the transition to a pluralistic society and other political matters.

17. Assistance to Parliament

Although the Tunisian Parliament currently is composed entirely of members of the ruling RCD party, it does to some extent serve as a forum for debate and as a brake on the executive branch of the GOT. These parliamentary functions will become much more pronounced if opposition parties manage to obtain seats in the Parliament. For these reasons, it is important that the Parliament acquire the capability to bring appropriate kinds of research and expertise to bear on the legislative process. The Parliament currently employs a limited number of counselors for this purpose. This report recommends that the USAID consider sending some of these counselors to the United States to study the operations of the Library of Congress, the Congressional Budget Office, and related U.S. government agencies. Beyond this, it is premature at the moment to go further in developing the research capabilities of the Parliament. The Economic and Social Council appears to be a more appropriate institution for bringing such expertise to on the legislative process.

18. Reorientation of State Agencies

The Mission should consider assisting the GOT's administrative reform program by offering to help state agencies, which have lost important responsibilities, in finding new, useful tasks. For example, the Agence de Promotion de

l'Industrie (API) could be reoriented to become an agency for promoting the use of new kinds of industrial technology. Similarly, the Societe Hotelier et Touristiques Tunisien (SHTT), which now has only a few hotels to manage, could be assisted in finding new kinds of tourism activities, such as the convention trade.

19. Further Study of Municipalities

For a variety of reasons, the DPI team was not able to examine in much detail the relationship between the central government and municipalities. Nevertheless, this is an important area in the development of democratic pluralism in Tunisia and it should be examined further. Preliminary inquiries with the Ministry of the Interior indicated considerable interest in having the Mission participate in the Ministry's current efforts to reform the system of municipal government. Since the Ministry is still studying the municipal government system, it is premature to recommend specific programs for the Mission to consider. Rather, this report recommends that the Mission examine the Ministry's plans in this area and identify for itself areas where it can make useful contributions. One possible area in which the Mission might contribute is in the training of municipal councils.

APPENDIX A

INVENTORY AND ANALYSIS OF PROGRAMS TO PROMOTE DEMOCRATIC PLURALISM

The following is a description of selective organizations we have either contacted or about which we have received information. These are listed here in conformity with the scope of work, though it is our conviction that they are already well known to the Mission in Tunisia. We have not included political parties in this list because they are forbidden by law to receive outside assistance. We have also not included newspapers and other media outlets because they are wellknown in the Mission and to USIS/Tunisia, and some of them have been discussed in more detail in section II of this report.

1. Union Generale des Travailleurs Tunisiens (UGTT)

This is Tunisia's sole trade union federation. It is a very important organization with a long history of political activism. It is currently reducing its role in contentious political activities and focusing more narrowly on helping workers. Toward this end, it is interested in improving the negotiating skills of its cadres, especially at the intermediate and lower levels, and increasing its membership by opening up new locals. We recommend below that the Mission help the UGTT in these undertakings.

2. Union Tunisienne de L'Industrie, du Commerce, et de L'Artisanat (UTICA)

This is the main professional organization for Tunisian businessmen. It has a long history and has traditionally been very close to the government and the ruling party. Under the Ben Ali regime, it has been showing signs of growing independence from the RCD and is, consequently, has become more effective as an organization representing businessmen. Although many of the Mission's activities overlap with the activities of UTICA, this organization is quite strong and does not itself appear to need any kind of assistance.

3. Organization des Femmes Chefs d'Enterprises

This is a branch of UTICA that was created in September 1990. Its main goal is to advance the role of women in business and in the economy in general. Although the organization is too new for us to get a good sense of its needs and long term prospects, we believe that it can potentially make an important contribu-

tion to the advancement of the role of women in Tunisia. We recommend that the Mission consider giving some form of assistance to it.

4. Union National des Femmes Tunisiennes (UNFT)

Like UTICA, the UNFT is an organization with a long history and close ties to the ruling party. It has been very active on behalf of women and has a nationwide organization. Unfortunately, its ties to the RCD leave it little independence, and it cannot be considered a representative organization as such. For this reason, and because it is already well-organized and well-financed, we recommend below that the Mission work not with the UNFT but with other women's organizations in its DPI strategy.

5. Union National des Agricultures (UNA)

A large, powerful, diversified organization that works with Tunisian farmers, the UNA is also closely tied to the ruling party and cannot be considered a representative organization. We do not recommend that the Mission include UNA in its DPI strategy.

6. Association des Femmes Democratiques (AFD)

The AFD is the only independent women's organization in Tunisia. It was established in 1989 with considerable difficulty and can be considered an alternative to the UNFT. It remains quite small, consisting mainly of Tunis-based intellectuals. However, it has been quite active, organizing demonstrations and holding a meeting to commemorate International Women's Day. We believe that the AFD has considerable potential to represent the interests of Tunisian women and that it should be supported under DPI. The Mission might consider helping it publish a newsletter or sponsoring a seminar through it.

7. Ligue Tunisienne Pour La Defense des Droits de L'Homme (LTDH)

The LTDH is the main human rights organization in Tunisia. It has been very active in documenting human rights abuses, pressuring the GOT to improve its human rights record, and educating Tunisians about human rights matters. Although it has some 3000 members, its financial resources are very meager. For this reason, and because it has done such an effective job as an advocate for human rights, we strongly urge the Mission to increase its support for the LTDH.

8. Cabinet de Prospective Sociale (CPS)

The CPS is a private business located in Tunis that specializes in market research and other kinds of survey-based research. It has done some public opinion polling (notably including the survey recently published in le Maghreb on attitudes toward the Gulf Crisis), and it is apparently the only organization in Tunisia that presently does this kind of research. The CPS does good work, appears to be adequately equipped and staffed, and has a large database of survey material on which it can draw. As a private company that seems to be fairly successful, it does not need support as such. However, it might be helpful to the Mission in developing the public opinion polling capability recommended.

9. Institut de Financement du Developpement du Maghreb Arabe (IFID)

This is a highly regarded research organization which focuses on problems of development in North Africa. Although it does not seem to need support for its own activities, it is clearly a good institution through which to organize seminars and related events.

10. Parliament

The Tunisian Parliament has been completely dominated by the ruling party since independence. However, in the last few years a certain amount of genuine debate has occurred in the Parliament which has had an effect on legislation. The Parliament has seven specialized commissions, each of which is served by a counselor who acts as a staff member for the committee members. Below we recommend that one or more of these counselors be sent to the United States to observe the workings of the U.S. Congress and related institutions.

11. Economic and Social Council (CES)

The CES is a consultative government body composed of 102 members drawn from various professional and regional associations. Its main function is to advise Parliament on legislation dealing with social and economic matters. The members of the CES are generally quite competent and represent a wide variety of groups and opinions in Tunisia. Consequently, it is potentially a good medium for channeling popular input into government policy-making. We recommend that the Mission assist the CES by enhancing its research capabilities.

12. Conseil Constitutionnel (CC)

Founded by President Ben Ali in December 1987, the CC is a consultative body whose purpose is to advise the President on the constitutionality of new

legislation. It has been quite active, and the President has been very open to its opinions. There is considerable hope among Tunisians that the CC will eventually evolve into a permanent constitutional court. The CC is clearly playing an important role in Tunisia's transition to democratic pluralism. Although it does not appear to need any assistance from the Mission at this time, it should be watched closely. The Mission should consider assisting it in appropriate ways in the future.

13. Agence de Promotion de L'Industrie (API)

The API was originally created to promote and control investment in Tunisia. It has been quite active in controlling investment but very ineffective in promoting industrialization. With the GOT's support for structural adjustment and liberalization of the economy, the API has lost many of its former control responsibilities and now has now taken on a facilitator role in investment and trade promotion. We recommend below that the Mission consider helping API continue to reorient itself to play this new role in Tunisia's economy.

14. Ministry of the Interior

This Ministry, among other things, oversees municipal governments in Tunisia. It is currently carrying out a major study of the system of municipal government which will presumably result in a wide-ranging program of reforms. The Ministry has expressed interest in receiving assistance from the Mission in implementing these reforms. We recommend that the Mission examine ways in which it can facilitate this reform program.

15. Municipalities

In Tunisia a municipality is a unit of local government established by decree at the proposal of the Minister of the Interior. At present, there are 246 Tunisian municipalities, 147 of which have populations of under 10,000 persons. The law which regulates municipalities was first passed in 1975 and has since been amended by the law of 1985.

Municipal structures include a deliberative authority, or town council, and an executive authority, headed by the Mayor. Town councilors are responsible for the design and development of programs, whose management and follow-up is entrusted to administrative officers and technicians.

The Governor of a province, or his representative at the local level, is present at all municipal activities. Decisions taken by the town council must get his approval. In larger cities the Secretary General of the Coordination Committee of the RCD ruling party participates in the discussions of the municipal council.

16. Centre d'Etudes et de Recherches de la Faculte de Droit, Tunis III (CERP)

CERP is a highly respected research institute located in Tunisia's leading university. It carries out a variety of ongoing research activities and frequently holds seminars and colloquia on social and political issues. Although it is financed by the university, its members are very independent-minded; it is therefore quite independent of the GOT. CERP is an institution which could serve as a vehicle for important conferences which the Mission might envisage in the future. We also recommend below that the Mission consider helping to establish a public opinion polling capability within CERP.

17. Student Organizations

Tunisia has three officially recognized student organizations. The first is the Union General des Etudiants Tunisiens (UGET), originally started and affiliated with the ruling party but has been independent of and at odds with it since the early 1970s. It is currently the second largest student union and is ideologically leftist and centrist. The second student organization is the Union General Tunisien des Etudiants (UGTE), which is associated with the Islamist movement. It is by far the strongest of the student unions. The third student organization is the RCD-affiliated student union, which primarily functions outside the campuses. There are also a variety of smaller groups which do not enjoy official recognition. Because they are highly politicized, these student organizations cannot be helped directly by the Mission. Student unions are important actors in Tunisian domestic politics and embody the next generation of the country's leadership. We therefore recommend that the Mission watch these organizations closely and target exchange grants and related programs at their leaders, to the extent possible. This is particularly important in the case of UGTE, whose leaders are fairly militant but seem open to working within the democratic process.

APPENDIX B

PERSONS CONTACTED BY DPI TEAM

Tunisia - October 1990

TUNISIAN LEAGUE OF HUMAN RIGHTS:

Moncef Marzouki, President
Khemais Chamari, Vice president
Khedija Cherif, Vice president

POLITICAL PARTIES:

Abderrahim Zouari, Secretary General, RCD (Rassemblement Constitutionnel
Democratique)
Abderrahman Tlili, Secretary General, UDU (Union Democratique Unioniste)
Mounir El Beji, Secretary General, PSP (Parti Socialiste Populaire)
Ali Laaridh, 'Ennahdha' Movement
Moncef Ben Jaafar, Secretary General Adjoint MDS (Mouvement Democratique
Socialiste)

His Excellency Moncer Rouissi, Minister of Social Affairs
Abdelaziz Ben Dhia, President, Constitutional Council
Jamel Eddine Chichti, Councillor to the President of the Republic
Amor Bejaoui, 1st Vice President, Chamber of Deputies
Abdellatif Chaabane, Director General of the Restructuring of Public Enterprises
and of 'Participations', Ministry of Economy and Finance
Noureddine Ben Farhat, Director General of Administrative Reforms, Prime
Ministry
Abdelbaki Hermassi, Professor of Sociology, University of Tunis
Mohamed Midoun, Professor of Constitutional Law, Faculty of Law, Tunis
Sarah Hanachi, President Director General of the Agency for the Promotion of
Industry (API).
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