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THE INTEGRATION OF SOCIAL PROGRAMMES IN ECONOMIC PLANNING:
A TUNISIAN CASE STUDY

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By Prof. Destanne de Bernis

Very often the economic approach to planning does not take into consideration social problems which, at the best, are considered of marginal interest and allegedly constitute an additional burden. Because of this mechanical approach, the importance and the need for reforming the social structures is practically left out of account as well as the circumstances under which a genuine mass mobilization of human resources may be achieved. The economist justifies this attitude either by claiming that the social factors do not lend themselves to quantitative expression or he feels he would not be objective.

By contrast, in the Tunisian ten-year plan (Perspectives décennales tunisiennes, 1962-1971) one finds a full integration of economic and social considerations because the plan attempts to present a global picture of Tunisian society in process of transformation. Thus the dichotomy of the economic and the social aspects is based on an erroneous analysis and these objectives may best be achieved by simultaneous development; the target of economics is "to nourish the population, to take care of it, and to liberate the slaves" (F. Perroux). It is also emphasized that industrialization may best be achieved by the active cooperation between a pre-industrial society and industry, a process which involves deep changes in the entire life of the people, both at the economic and social levels. It becomes obvious moreover that certain social reforms condition the restructuring of an unintegrated environment which opens the road for proper action aimed at development, such as the large scale involvement of the population.

^{1/} Translation of the summary of Professor Destanne de Bernis' working paper.

I. The goals are social as much as they are economic

Tunisia has assigned to itself two objectives which are closely inter-linked, namely the development of man and sustained economic and social growth; thus Tunisia refuses to dissociate these aspects as has often been done, and is eager to improve first the lot of the most disinherited "even if, to that effect, it becomes necessary to change the economic system" (Ten-Year Plan, Information).

A. The promotion of man presupposes:

- a) The eradication of hunger: the fundamental objective of the Ten-Year Plan is to insure that each Tunisian obtains a minimum of 50 dinars ^{1/} i.e. \$117.5 calculated as follows: 40 dinars correspond to the cost of a balanced food ration as regards quality and quantity to which are added 10 dinars assuming that in a budget of this type 80 percent are spent on food.

Considering that we are here concerned with a minimum income and not with an average income, the achievement of this target will necessarily involve a modification in income distribution structures: thus while in 1959 the most favoured part of the population (13.7 percent) had an average income of 218 dinars (\$512.3) this group will henceforth only represent 12 percent of the population and its average income will be reduced to 169 dinars (\$397).

Moreover, this objective implies a remodeling of the Tunisian economic map because regardless of the geographical location each Tunisian citizen is expected to receive this income; as a consequence the Tunisian plan emphasizes the need for regional development and in particular the need for the industrialization of the south with a view to reestablish a balance between the northern and the southern parts of the country.

^{1/} In 1959, 36.5 percent of the population had an income of less than 20 dinars (\$47). During the period concerned the gross national product must increase from 271 to 486 millions dinars. It is estimated that total investment during this period will amount to 896 million dinars.

The method adopted to determine the primary objective enables us to prepare a breakdown of consumption per categories of products in relation to the elasticity of demand recorded at the different levels of income.

b) The development of education

At the date of independence, only 30 percent of the children at school age attended school; while it is expected that in October 1966 all children at the age of 6 and 7 years will be accommodated in schools it is anticipated that, starting in 1971, all children from 7 to 13 years will be able to find the opportunity of going to school for 6 years. It is also expected that at the end of this decade 45 percent of the children leaving primary schools will enter secondary schools while at present this percentage is only 37.

The number of students of higher education will increase and their specialisation will be determined by the requirements of the national economy while provision is also made for the training of leaders at an intermediate level, including in-service training for the benefit of those who are already working. These objectives presuppose that a considerable effort is made in the field of teacher training and the mobilisation of budgetary resources for education which should amount to 8.2 percent of the gross national product at the end of the period considered.

Moreover, Tunisia will establish a certain number of professional schools which are needed to ensure economic development; an effort is made at rescuing the weaker students by imparting an appropriate pre-vocational training.

In the circumstances, if at the end of the period Tunisia will dispose of 97,200 leaders at the lower level and 48,390 leaders at the middle level which are required (although even so it is expected that among them 14,510 will not have acquired quite sufficient training), Tunisia will still be in need of 2,670 leaders at a higher level out of the 10,730 required.

c) Housing

While 490,000 housing units are required Tunisia will actually build only 184,000. This represents a considerable effort (19.2 percent of total investment during the decade). These housing units are destined in particular to the most disinherited and will be concentrated in places where industry is expanding.

d) Public Health

This sector which is perhaps less integrated into economic development than other social sectors, will also be expanded considerably. The number of inhabitants per hospital bed will decrease from 2,300 to 450 (277 if the entire hospital capacity is taken into account); this programme is based on a reasonable territorial distribution.

e) Employment

According to the Ten-Year Plan, full employment will nearly be achieved for all intents and purposes - assuming that this expression makes sense from an economic standpoint (cf. F. Perroux) - by the end of the decade (1,100,000 jobs for an active population of 1,050,000 men and 100,000 women). Three points should be stressed:

- i) When it is stated that 350,000 workers should be employed in industry, no indication is made as to the extent to which the industry concerned should become capital intensive or labour intensive.
- ii) At the end of the ten-year period under consideration, the 400,000 workers employed in agriculture would no longer include those who are engaged in work on agricultural infrastructure, but all would be employed in direct agricultural work.
- iii) 100,000 workers will still be employed in the crafts for the time being pending the transfer of this domestic production to modern industry.

B. This kind of human development exercises in turn repercussions on economic development

Human development as defined above may be considered as a method for sustained economic and social development of the country. Even if quantitative methods have not been utilised to distribute the scarce resources among the different aspects of the total objective, the Ten-Year Plan has not neglected these repercussions.

- a) The influence which is exercised by the abolishment of hunger (cf. the propensity to work of F. Perroux) on labour productivity is well known. The policy of income redistribution will also be favourable to industry, because it opens the markets (the elasticity of demand for industrial products is much higher for the low income groups than for the high income groups). In the same way the balance between the North and the South is a condition for the integral utilisation of Tunisian resources.
- b) The policy of rapidly achieving general primary education has important economic effects. This is the only way by which the illiterate rural masses may escape their fatalistic attitudes and still observe and revive the most fundamental values of their traditions. (cf. the propensity to change of F. Perroux).
- c) There is no doubt that the efforts made to develop the housing sector will have the effect of promoting the development of other sectors, even though we are not able to assess exactly the exchanges between the different industries. ("The value of an industry may more fittingly be appreciated in terms of what it promotes than in terms of what it produces", F. Perroux).
- d) and e) it should be necessary to insist on the positive economic consequences of health and full employment.

II. Social means for economic objectives

Whatever the role of capital might be in the global economic development, present day economists stress the decisive role of social factors, either the necessity to change the social structures or the necessity to be able to ensure an effective mobilisation of the population.

A. The transformation of the Tunisian social structure

The Three-Year Plan (1962 - 1964) is essentially devoted to this objective.

In fact the Tunisian economy is actually inarticulated and unbalanced. This implies that progress cannot spread neither within one sector nor from one sector to another; hence all progress is blocked.

Therefore the Tunisian planner is compelled to establish proper communication between the different centres of economic activity and to make this communication as efficient as possible.

We will not revert to the very positive effects of primary education, but it should be underlined that too little attention has been given to the agricultural extension service. Action in this field is done along the traditional lines without taking into account the experience gained in other African countries involving training courses for the benefit of local leaders.

The efficiency of the communication is contingent upon the actual social structures.

The Three-Year Plan proposes the creation of cooperatives for the artisans but does not pay attention to many problems raised by their creation (necessity to proceed by stages, necessity to provide for rules to prevent misuse).

In the field of agrarian structure, where we find many barriers to progress, the analysis is confined to two problems, the small traditional holdings of a non-economic size and the administration of the land owned by the state.

The very positive aspect of the two documents studied is the cooperative orientation of both of them. The cooperative provides exactly one example of a social structure which might have many positive economic effects (constitution of capital by public works improving the infra-structure, a rise in the propensity to creativity and to work, orientation of attitudes towards progress and a gradual reintegration of the national economy).

Nevertheless some reservations have to be formulated: nothing has been said on the legal status of the cooperatives, or of the way in which one plans to take into account the inequality in the size of the various rural estates. Is it not risky to approach this abstractly and to fail to proceed by gradual phases? Sure the establishment of a whole convergent series of institutions is foreseen to facilitate the realisation, but that is not sufficient.

With regard to industrial structure it must be stressed that, to a large extent, state capitalism replaces the colonial structures. The state has the power and is free to retrocede some industries to private initiative.

Until now the status of the labourers has not yet been modified and the sociological difficulties of industrialisation and urbanisation have not yet been solved. The role imparted to the state can facilitate things by eliminating those of the social forces which might go against a real solution. However, this is not sufficient to ensure a true participation of the workers in the life of their enterprise.

B. The participation of the Tunisian population

The central approach to this whole analysis of planning is even more salient in our perspective, the plan gives an analysis of the "active dialogue of participation" within the framework of the different sociological categories. The efforts demanded of the major part of the population will become even greater as they become more involved in the elaboration and execution of the decision.

Although the authors of the Ten-Year Plan and the Three-Year Plan are well aware of this problem they have not approached it directly. Also in the definition of "Tunisian socialism" the accent has not been placed on this theme. The mobilisation of the population is not realised nor is it deliberately sought.

Nevertheless the concern for achieving balanced regional development which has been strongly stressed is directly related to this problem. Tunisia is divided in development units (25 to 30,000 inhabitants) which constitute the most decentralised units of the plan and the highest level of direct "participation" of the population. Their rapid establishment may lead to the modification of the present situation.