

EUROMESCO ANNUAL CONFERENCE 2022

Towards more Social Justice and Inclusiveness in the Mediterranean

COUNTRY EVENT TUNISIA

Addressing vulnerabilities, mainstreaming
inclusiveness in public policy reforms

Tunis, 23 September 2022

Report

Summary

The background of the page features several large, light gray, curved shapes that sweep across the canvas, creating a sense of movement and depth. These shapes are layered, with some appearing in front of others, and they vary in thickness and curvature, contributing to a modern, minimalist aesthetic.

Addressing vulnerabilities and mainstreaming inclusiveness in public policy reforms are two key aspects of the EU's New Agenda for the Mediterranean. In a moment of deep uncertainty in social and economic terms, the Tunisia Country Event provided the opportunity to focus the discussion on social vulnerabilities and social protection programmes.

Discussions tackled the issue of vulnerable groups, emphasizing three social groups identified as being particularly vulnerable and excluded from the social protection schemes in the region: women in agriculture, migrants, and youth. The complex economic scenario of high inflation, debt, poverty rates and unemployment was underlined, calling for robust social policies. The fact that in Tunisia the social protection systems are lacking in accessibility and inclusiveness was exposed, a situation that leaves multiple social groups unprotected. Experts identified the need to address vulnerabilities in a comprehensive, integrated, and multi-sectorial way, scaling up social justice in the governmental agenda.

The issue of labour informality was at the centre of the debate as informality is considered one of the most important causes for the lack of coverage of social protection in the region. One out of two Tunisian workers is not covered by the social protection system, especially due to the high informality rates. On the employer side, there are very few incentives to promote formal labour, including very low penalties or very little law enforcement procedures. On the employees' side, experts also identified a lack of incentives for workers to join the formal sector. This could be

due to the lack of information and understanding of social protection programmes by the general population, or the fact that many of these programmes do not lead to immediate benefits, such as retirement or health insurance, and people tend to prioritize immediate needs.

Solutions put forward to better address vulnerabilities include coordinating measures throughout different ministries and departments in order to establish integrated approaches and strategies providing universal social protection coverage to those social groups who are currently unprotected and at risk of social exclusion. In order to combat informality, experts called for more programmes promoting labour formalization and decent work for young Tunisians. Access to finance for businesses and entrepreneurs and more communication between the different governmental departments in the country were also highlighted as necessary measures to tackle informality and its socio-economic effects.

The event was co-organised by the European Institute of the Mediterranean (IEMed) and the Arab Reform Initiative (ARI) in the framework of the EuroMeSCo: Connecting the dots, a project co-funded by the European Commission's Directorate-General for Neighbourhood and Enlargement Negotiations, Regional Programmes Neighbourhood South Unit (DG NEAR B2) and the European Institute of the Mediterranean (IEMed) that aims to connect the dots between diverse stakeholders – think tanks, experts, civil society, the private sector, academia – as well as between the EU, its Southern Neighbours and the wider region.

OPENING SESSION

Senén Florensa

Executive President of IEMed

Nadim Houry

Executive Director, Arab Reform Initiative – ARI

Tom Ashwanden

Cooperation Head, European Union Delegation to Tunisia

The event started with Ambassador Senén Florensa welcoming the speakers and participants and thanking the Arab Reform Institute – ARI and the EU delegation in Tunisia for the collaboration in organising the event. He explained that this year's EuroMeSCo Annual Conference is being held in four decentralised events in Morocco, Jordan, Tunisia and Egypt, and a closing event in Brussels. The events take place under the overarching theme "Towards more Social Justice and Inclusiveness in the Mediterranean". In line with EuroMeSCo's goal of strengthening

Euro-Mediterranean relations through policy-oriented research, dialogue and advocacy, this Annual Conference contributes to the debate on the implementation of social dimension of the EU's New Agenda for the Mediterranean.

The Executive Director of the Arab Reform Institute – ARI also gave some words of welcome to the participants. Nadim Houry emphasized the importance of focusing on social vulnerabilities in the current international context. He highlighted the important role that think tanks can play in



Senén Florensa, Executive President of IEMed



Nadim Houry, Executive Director, Arab Reform Initiative – ARI

transforming the slogans of protests and social movements into policy research and solutions.

Finally, Tom Ashwanden, Cooperation Head at the European Union Delegation to Tunisia, closed the opening remarks by emphasizing the role of the Euro-

pean Union in supporting the Tunisian social protection system. Mr. Ashwanden noted that social protection schemes need to be combined with robust labour reforms and highlighted the EU's focus on social affairs in the Southern Neighbourhood brought by the New Agenda for the Mediterranean.



Tom Ashwanden, Cooperation Head, European Union Delegation to Tunisia

PANEL 1

Addressing vulnerabilities, mainstreaming inclusiveness in public policy reforms

Farah Al Shami

Research Fellow, Arab Reform Initiative – ARI

Alberto Costa

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Organisation for Economic Co-operation and
Development – OECD

Alia Fakhry

Associate Researcher Migration Program, German
Council on Foreign Relations – DGAP

Imene CHERIF

Regional Program Manager Economic Policies for Social
Justice in the MENA region, Friedrich-Ebert-Stiftung,
Tunisia Office

Moderation

Zied Boussen

Senior Fellow, Arab Reform Initiative – ARI

During the first panel, the state of vulnerabilities in the Euro Mediterranean region was addressed, focusing on the situation in Tunisia. The session looked into opportunities and possible policy reforms to facilitate inclusiveness in public policy. Addressing vulnerabilities and mainstreaming inclusiveness in public policy reforms are two key aspects of the EU's New Agenda for the Mediterranean. The debate focused on three social groups facing different and specific vulnerabilities: women in agriculture, migrants and youth.

In the first round of interventions, the panellists emphasized the importance of researching and debating about social justice and inclusiveness in the Euro-Mediterranean area. In Tunisia and elsewhere in the region, global, regional and national political developments are reorienting the priorities of researchers away from social vulnerabilities. However, Tunisia is facing very important economic challenges, that have huge social consequences. Among others, panellists highlighted the unprecedented devaluation of the Tunisian dinar (reaching an all-time low in August), high inflation, very high public debt, unemployment (particu-

larly high among youth), the increase in the poverty rates, and economic stagnation, among others.

The complex economic scenario would call for robust social policies, however, the Tunisian social protection system is identified as lacking in accessibility and inclusiveness, leaving multiple social groups unprotected. Moreover, the panel emphasized the irrational allocation of public spending and the lack of coordination between governmental departments.

The very concept of vulnerabilities was discussed. In a post-covid world, there is a need to rethink the understanding of social vulnerabilities. New forms have emerged in Tunisia and elsewhere, challenging our classic understanding of vulnerabilities. New social groups have appeared to become more vulnerable, such as the population suffering from certain diseases or the people working for the private sector in the informal economy during the pandemic.

Women working in agriculture is portrayed as one of the most vulnerable social groups in Tunisia, if not the most vul-



nerable. That is because women working in agriculture are affected by the intersection of different kinds of vulnerabilities. They are affected by gender inequalities, the disadvantages of living in a rural areas, the age factor (most of them are women of advanced age), very low salaries, unstable labour conditions and very high labour informality rates. Moreover, they are among the most affected groups to climate change and are exposed to several kinds of violence and abuse from land-owners. Social security does not appear to be reaching these women: in Tunisia, only 33% of them are covered by the Tunisian social protection system.

Migrants are another social group identified as being very exposed to different kinds of vulnerabilities, and yet another example of the lack of inclusiveness and access of the Tunisian social protection system. Refugees and asylum seekers in Tunisia rely completely in international organizations like the UNHCR and the IOM for protection and help. There is a policy of no-policy and a legal vacuum with regards to migration, triggered by a lack of

capacity, but also a lack of public interest and political appetite to act. Racism continues to be a day-to-day reality for many migrants in Tunisia. Moreover, the national migration strategy, adopted in 2017 and promoted by the European Union, hasn't been as successful as expected in the protection of migrants. The aforementioned strategy has resulted in progress in relation with the Tunisian diaspora abroad but has shown little progress in the protection of refugees or irregular migrants within Tunisia.

Youth populations are also at the crossroads of different vulnerabilities. The public education system in Tunisia is described by panellists as old fashioned, characterized by a very low performance and does not prepare young people for social and economic inclusion. There is an important mismatch between education and the needs of the labour market in the country. In an economy based in traditional sectors, highly educated individuals are in a very vulnerable position. The labour market is unstructured, and young Tunisians face high levels of



informality, as well as a 50% of unemployment rate. Moreover, despite comprising half of the Tunisian population, young people in Tunisia are underrepresented in the institutions.

During the second round of interventions, the panellist tackled the possible ways forward and opportunities of reform. Security should not be the lens to tackle areas such as migration or youth. Instead, there is a need to address vulnerabilities in a comprehensive and multi-sectorial way, coordinating measures throughout different ministries and departments. Integrated approaches and strategies need to be put

in place in order to make a change in addressing vulnerabilities. This implies complex but necessary coordination and monitoring exercises throughout the government.

Moreover, there is a need to elevate social issues like poverty eradication or youth to the top of government's agenda and priorities, emphasizing their multi-sectorial character. Making the Tunisian social protection system universal is also considered as a necessary step forward, since the current system does not protect the non-contributors at any stage and leaves many social groups unprotected and at risk of social exclusion.

PANEL 2

Formalisation of labour and decent work

Moderation

Aymen Belgacem

Economist, International Monetary Fund

Leila Ben-Gacem

Founder, Blue Fish

Fatma Triki

Monitoring and Evaluation Manager, Enda inter-arabe

Olivier Hack

Governance Programme Officer, European Union

Delegation to Tunisia

Moderation

Malek Lakhel

Research Fellow, Arab Reform Initiative – ARI

The second panel explored the issue of labour informality and decent work, with a special focus on Tunisia. The Covid-19 pandemic has revived the debate around the levels of labour informality and its social consequences. The session started with a brief introduction on the situation in Tunisia, where around 1.5 million people are employed in the informal economy, which accounts for one third of the Tunisian workforce. This has important consequences for social protection: one in two Tunisian workers is not covered by the social protection system. The main sectors touched by labour informality include agriculture, trade and construction, and especially affect women and youth.

The panel discussed an important paradox which characterizes the Tunisian system: even though there are multiple social protection schemes in place and the investment in social policies is higher compared to other countries in the re-

gion, the proportion of workers in the informal sector remains very high. In giving explanations to this paradox, the preference of many employees to remain in the informal sector, as well as the lack of incentives for employers were discussed.

In this regard, some reasons which might induce workers to remain in an irregular situation were identified. These include the lack of information and understanding of social protection programmes and their benefits by the general population, or the fact that many of these programmes do not lead to immediate benefits, such as retirement or health insurance, and people tend to prioritize immediate needs. On the employer side, the higher financial costs and the bureaucratic procedures, as well as the very little law enforcement procedures and low penalties, were identified factors discouraging organizations from formally hiring their employees.





Moreover, the mistrust towards public services was also identified as a key challenge to overcome when addressing the issue of labour informality. People should be able to trust social services. The decentralization of parts of the social protection system was suggested as a positive action to increase confidence and increase the social coverage. Local authorities tend to enjoy higher levels of trust within the country. Beyond local authorities, the private sector was also suggested as an actor worth collaborating with when addressing the challenges of the labour market, particularly in the form of public-private partnerships.

Another challenge identified was the legitimacy of labour reforms. Any social and labour reform needs to be accepted by the affected population. It is not uncommon that researchers push for reforms that the targeted communities themselves do not want or haven't been consulted about. The issue of legitimacy in labour policies was described as crucial.

The European Union is working to promote labour formalization and decent work for young Tunisians. The EU delegation in Tunisia is working with social enterprises in the country to help young people that dropped out of school to find a job or support their business ideas. According to Olivier Hack, the idea is to go beyond financial support, accompanying the participants for longer periods of time.

Several other measures were identified by the panellists as important to facilitate decent work in Tunisia. Firstly, there is a need to turn the current target-oriented and narrow scale Tunisian social assistance into a social security system with universal protection. Secondly, panellists emphasized the importance of improving the access to finance to businesses and entrepreneurs. Finally, the lack of communication between the different governmental departments in the country was highlighted, emphasizing the need for an increased inter-ministerial co-operation.

Even though some of the labour informality in Tunisia can be explained for development reasons, public policies were also described as having a negative impact. Therefore, policy reform offers a real opportunity to improve the situation of labour

informality in the country. However, panellists emphasized that formalization is not the only solution for social justice, and that there is a need to dissociate labour formalization from decent work and social protection.



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