Can Tunisia Shake Off “Business as Usual” Following Covid-19?

→ Salma Houerbi
Almost a decade after Tunisia’s revolution, rampant inequalities and corruption continue to plague the country as it struggles to implement needed socio-economic measures to respond to aspirations for more social justice. This has caused disenchantment with the new political elite and a rise of populism that risks endangering the democratic gains achieved so far.

The COVID-19 outbreak has further exposed the country’s systemic social inequalities, often manifested in different forms, including communities protesting persistent issues with access to water amid the sanitary crisis, doctors and patients denouncing the uneven and stretched resources in public hospitals, women agricultural workers whose priority throughout the crisis remained their struggle for economic subsistence.

As the pandemic takes its toll on an already fragile economy, further weakening strategic sectors and increasing public debt and expenditures, foreseen economic losses seem bound to exacerbate existing social tensions. The government and its social partners have repeatedly maintained that protecting the economy and setting the stage for a post-COVID-19 recovery are their major priorities. To that end, the government rolled out a series of socio-economic measures to assist companies and self-employed individuals to maintain jobs and incomes across all economic sectors.

Yet, amid the crisis, the role the private sector can and should play becomes crucial and must be discussed. Who should save who? Should the Tunisian government bail out companies in light of the crisis? Should the private sector mobilize efforts amid COVID-19 and, if so, what kind of mobilization can it undertake? In his latest interview, the head of the Tunisian government, Elyes Fakhfakh, reiterated his faith in the deeply rooted tradition of social dialogue between Tunisian unions and employers’ organization.

This paper analyses the government and private sector responses to COVID-19 considering Tunisia’s economic and social challenges and existing state-business relations. It argues that, rather than going back to the “shady business as usual”, the Tunisian response to COVID-19 can be a golden opportunity to rectify state-business relations, institute a culture of corporate accountability that may partly address the root causes of inequalities in Tunisia, and promote the long-awaited
agenda of social justice. To do so, the government should place the COVID-19 response within a broader effort to address the persistent and systemic challenges the country faces from corruption to rent-seeking to vulnerable workers’ conditions. This can be done by setting an agenda of state-business accountability and ensuring that recovery measures adopted in response to the pandemic fulfill fundamental responsibilities towards the most vulnerable and provide them with long-neglected essential services. If the measures taken by Tunisia’s government fail to address these systemic challenges and continue to ignore social justice, they risk perpetuating inequalities and maintaining the interests of a small business elite.

**The business landscape in Tunisia: Fragility of workers and businesses**

Years after the revolution, the fragile economy and the lack of economic opportunities and prospects of dignified work have impeded the quest for social justice. Despite state efforts in support of decentralization and private-sector development, inherent challenges hovering around state-business relations have limited the potential of creating a fair and sustainable economy.

**Corruption and rent-seeking in the economy**

Aspirations that democratization would dismantle corruption and rent-seeking in Tunisia and bring about a fairer economy have so far been unmet. Tunisia continues to suffer uneven economic development: in 2016, 85% of the enterprises that provide 92% of private-sector jobs were clustered in the coastal regions, with 44% in the Great Tunis area alone. Enterprises operating inland provide only 8% of private-sector jobs.

While the regional clustering has been nurtured via a legacy of clientelism and corruption, the polarization of the private sector has amplified after the revolution. On one side, you have an established economic elite concentrated in the coastal areas with old political ties protected by and benefiting from existing regulations,
and on the other, a disparate group of aspiring young formal entrepreneurs, new entrepreneurs confined to the informal sector, and small business owners.\(^{15}\)

Although the family clan of former President Ben Ali has largely left the country, other politically and internationally well-connected economic elites have remained active since reforms and expropriations of ill-gotten gains have so far fallen short with investigations largely limited to Ben Ali’s family and a few politically opportune and high-profile cases.\(^{16}\)

As such, the patronage and economic choices that characterized the rule of Ben Ali did not end with his departure. Citizens continue to pay the price of favouring labour-intensive low-value adding sectors (such as construction and tourism) over innovation.\(^{17}\) The low growth registered in the past two years and the persistent unemployment rate has been associated with the persistence of cronyism after the revolution. Private firms have not increased their investments, rather they shifted to less growth-inducing rent-filled sectors, such as construction.\(^{18}\)

A 2018 assessment of the Tunisian private sector led by the European Bank for Reconstruction and Development has further demonstrated the “missing middle” challenge of Tunisian companies: 10% of companies consist of big and inefficient state-owned companies while small firms – often unable to grow and create jobs – represent the remaining 90%.\(^{19}\)

This can be explained by the persistence of networks in the Tunisian economy which tie together state officials, bankers and owners of big businesses and provide them with access to state resources, licenses and bank credits while keeping smaller companies “outside the loop.”\(^{20}\)

A new pattern of rent-seeking has been the increasing direct connection between the post-2011 political sphere and the business elite as political parties seek funds from firms in exchange of economic privileges. While the direct representation of economic actors in the legislative and executive branches of the government was only anecdotal at the time of Ben Ali and studies mostly highlighted the dominance of the Ben Ali clan over the Tunisian Union of Industry, Trade and Crafts (UTICA- Union Tunisienne de l’Industrie, du Commerce et de l’Artisanat) and the big entrepreneurs of the country,\(^{21}\) a social network analysis of Tunisia’s
business elites post-2011 found that economic power remains in the hands of a few family groups who increasingly intervene directly in the political sphere to consolidate their resources and find new economic opportunities.\(^\text{22}\)

For instance, prominent businessman Mohamed Frikha joined the Islamist Ennahdha party and became a member of the parliamentary assembly while others such as Faouzi Elloumi, Moncef Sellami or Zohra Driss were important members of the secular party Nidaa Tounes. The 2019 presidential elections saw Kalb Tounes political party leader, Nabil Karoui, a businessman and owner of a media company in Tunisia allegedly involved\(^\text{23}\) in the Panama Papers and SwissLeaks, finish in second place.

In light of the difficulty of separating the political from the economic in post-revolution Tunisia, absence of political will to effectively combat the roots of corruption and develop the economy have achieved very little. According to Transparency International, corruption has fallen for a few years after the revolution to rise a decade later to the same level as before the 2011 uprisings.\(^\text{24}\)

Risks of corruption and mismanagement have also remained high in state-owned enterprises. The opaque hiring practices in the state-run phosphate production company have been used as a tool to control social movements and as political quick fixes to calm tensions.\(^\text{25}\) The cycle of corruption has led to protests over jobs in the phosphate industry and the consistent decline in productivity of a strategic sector, consequently sharpening the Tunisian economic crisis.

While the direct and indirect negative impacts of corruption on economic growth are widely documented and have been associated with the low economic growth during 2017-19, it also impeded the efforts of developing new private actors in Tunisia. The business climate has deteriorated with a perceived rise of corruption and an expansion of informal (and illegal) activities such as contraband. Entrepreneurs report that bribes remain necessary to get a license to start a small business, obtain a job in an employment programme, or receive social assistance from the state.

Fiscal evasion and the informal economy
Tax evasion is another persistent problem for state coffers. Studies quantifying fiscal evasion are notoriously scarce due to the challenge of data collection. In 2019, an advisor to the previous government, Faycel Derbel, declared that tax evasion amounted to 25 billion Tunisian Dinars (USD8.7 Billion), explaining that it has increased sharply since 2011 as a result of the explosion of the “parallel market” where 53% of the country’s wealth circulates.\(^26\) While difficult to measure, informal activities are estimated to have risen from 30 to 40% GDP between 2010 and 2018.

The World Bank estimates that between 2002 and 2009 tax fraud by politically connected firms cost Tunisia approximately USD200 million per year.\(^27\) Experts believe that the situation worsened after the revolution.\(^28\)

In its 2016 report, *Parallel Economy in Tunisia*, Tunisian think-tank Joussour Center for Public Policies has provided an estimation of the potential revenues lost from smuggling activities to almost 2 billion Tunisian Dinars (697 million USD) annually, distributed as follows: 750 million dinars from petrol (261 million USD), 300 million dinars from tobacco (104 million USD), 450 million (156 million USD) dinars from electrical appliances, spare parts, vehicle tires, and food commodities, 500 million dinars (173 million USD) from electronic devices, clothing, beauty products and perfume. Revenues from the smuggling of arms, gold, copper, expensive alcohol and stolen luxurious cars were not considered because their true magnitude is very difficult to estimate.\(^29\)

Finally, a previous government led-policy to attract foreign investment and create jobs through creating offshore companies\(^30\) has arguably had disparate effects when it comes to promoting transparency and fair competition in Tunisia. The offshore system was set up as a series of time-bound fiscal incentives granted to companies with non-local operations. While this policy has expanded sectors such as the garment industry and call centres, it was long criticized for promoting a dual economy that slows local value chain development and provides unfair tax advantages to purely exporting companies. Prompted by the European Union’s reprimand listing of Tunisia as a fiscal paradise in 2017, the government has, for instance, reduced the tax differential between onshore and offshore systems.\(^31\)

Yet, a commonly reported misuse of this legislation is that companies often change denominations after the lapse of the grace period to continue to benefit
from the advantageous fiscal regime.  

Labour vulnerability and weak protection of workers

While Tunisia’s economic model developed as an export-oriented and labour-intensive economy focused on tourism and low-cost outsourcing, incentives for attracting and retaining investors have led to tolerating low wages and disregarding the development of agriculture and rural areas. In light of the fragile economic context and the high unemployment rate, creating jobs have often been given priority over ensuring dignified work conditions. Even if Tunisia’s main labour union, the UGTT, plays a powerful role in setting policies, different reasons have led the union to limit its demands to sectoral wage negotiations and less to documenting repressive practices. Additionally, as half of the economy belongs to the informal sector, compliance with labour legislation is difficult to monitor.

In 2018, the ILO estimated that 53% of the Tunisian population are informal workers. As such, they and their families face insecurity as a result of the absence of health care and social security benefits, including retirement pensions and access to other benefits, such as family allowances, childcare and nursery allowances, severance pay or death benefits. Informal workers also often lack the ability to organize or participate in labour unions or access employer or state-sponsored remedies in cases of abuse.

Informality can also be found in the formal sector, for example, when people are hired to work in registered enterprises without an employment contract and/or social security payments by the employer. The Tunisian Centre for Research and Social Studies and the African Development Bank estimated that around 43% of Tunisian private-sector workers (about 1.2 million people) had informal jobs in 2015.

Job informality is particularly widespread among young Tunisians: less than one in three young workers has a formal work contract and access to social protection. Only 15.3% of rural youth (ages 15 to 29) and 38.8% of urban youth have an open-ended contract with full social protection and extended job security.
The contribution of the formal private sector to social protection remains low. Noureddine Taboubi, head of the UGTT, attributed the deficit in social security funds to the fact that 25% of private companies are not currently reversing social security contribution for their workers.\(^{38}\)

Other jobs in the formal sector come mainly in the form of short fixed-term contracts and are also associated with job insecurity, high turn-over, fewer protections compared to permanent contracts, as well as exploitative treatment by employers. It is less likely for temporary contract labourers to complain about working conditions for fear of losing their jobs.\(^{39}\)

Sectors which have been strategically prioritized by the government namely export-oriented textile industry, hotels, and construction, among others, carry particular human rights risks as most of their workforce consists of temporary or seasonal workers.

NGO led interviews with 230 workers have shed light on rights violations for women in the garment sector.\(^{40}\) Complaints concerned inadequate access to social protection, allegations of the excessive use of short-term contracts, illegal dismissals, suspensions, excessive overtime, and incomplete social security and income tax payments by the employer. Complaints concerning the lack of living wages and unsafe working conditions were also reported.

Despite improvements to Tunisia's judicial system, obstacles to accessing remedy for employment-related abuse persist. Research shows that workers are reluctant to take cases to court. Contributing factors include the length of time to secure a judgment and the lack or weak enforcement of court decisions. The same research has shown that employment-related cases are the most prevalent and the most likely to remain unresolved.\(^{41}\)

Women in the Tunisian labour market face additional challenges based on their gender. Despite progress in legislation, Tunisian women's participation in the labour market is still lower and women's unemployment rate higher than that of men. When women are partaking in the economy, they are more likely to be found in the informal sector and/or in the bottom of value chains occupying hazardous and vulnerable positions in sectors such as farming and textile. 70% of women in
the agriculture sector are protected by social security. The number of women falling under the social protection scheme does not exceed 93,500 compared to 377,000 men. According to the Tunisian National Institute of Statistics, women are paid, on average, between 20 and 30% less than men. This figure reaches 40% in the private sector and a staggering 50% in agriculture.

In a detailed overview of the gendered impact of Tunisia’s phosphate mining, The Natural Resource Governance Institute found that in the Gafsa region – home to much of Tunisia’s phosphate mines – 47% of women hold a university degree but are still mainly employed by the mining company as cleaners. Women also disproportionately suffer from the negative health impacts of mining, experiencing a high rate of miscarriages and neonatal problems. These impacts mostly go untreated because of the lack of appropriate medical services in this area. Water shortages and pollution caused by phosphate extraction and treatment aggravate mining-related health and livelihood issues.

Finally, a growing concern is an increasing reliance on migrant workers in the absence of adequate regulations to protect them. While there is still little information on the current socio-economic situation of migrant workers in Tunisia, particularly when they are employed as informal workers, initial research has shown that they are present in informal sectors such as construction and hotel services and often employed on a temporary basis. Civil society organizations have raised concerns about emerging patterns of racism against migrants from Sub-Saharan Africa as verbal violence and discrimination against them have become pervasive in everyday life and in the workplace, both in the informal and formal sector, and called for the implementation of inclusive migration policies in Tunisia.

In the current socio-economic context, the outbreak of COVID-19 in Tunisia is likely to further weaken small businesses and those with less political connections and to have a severe impact on vulnerable workers in the formal and informal sector, particularly women and migrants. Companies “out of the network” and small and medium-sized enterprises (SMEs) may suffer disproportionately from the downturn because of their limited financial resources and dependence on bank lending – often at high-interest rates. In addition, their relative technological, managerial and human shortcomings may reduce their capacity to overcome the
economic crisis.

Crucially, the current lockdown and its aftermath are expected to have a severe impact on the large portion of the population engaged in the informal economy, dependent on day labour, and working without social protections. The key question is whether and how the government can help without exacerbating inequalities.

**Government socio-economic measures under COVID-19**

With the outbreak of COVID-19, the head of the government announced a bold set of measures to safeguard the economy and people’s socio-economic situation that amounted to a total of around 2.5 billion Tunisian dinar (876 million USD). 47

A central priority of the government has been to preserve jobs, guarantee the income of workers, employees and civil servants, and reduce financial pressure for businesses with activities impacted by the lockdown.

It announced the allocation of 300 million Tunisian Dinars of state-enabled unemployment compensation. The UGTT and UTICA signed an agreement on 14 April with the ministry of social affairs guaranteeing that the 1.5 million private-sector workers will get their full salaries for April. 48 According to this agreement, the state pays 200 Dinars (63 Euros) of the salary of each employee and the employer pays the rest. Employees whose salaries are not declared to the social security funds may be declared within one month of the entry into force of the decree-law to benefit from the state support. The agreement also made it possible for employers to register their workers to benefit from the government contribution. Another landmark step towards protecting workers is the issuance of government decree banning companies from firing workers or ending working contracts during the lockdown caused by the pandemic. 49

Besides maintaining salaries, the government has announced an additional 150 million dinars (52 million USD) in the form of cash transfers for the benefit of registered vulnerable and low-income categories and people with special needs.
According to the Minister of Social Affairs, 260,000 needy families will benefit from the aid in addition to 464,000 families with limited income, 382,000 families looking after children, 121,000 families looking after elderly people and 286 families looking after people with disabilities.\(^{50}\)

Parallel to this, the government also announced measures to ease the impact of the crisis on businesses, in particular Small and Medium Enterprises (SMEs), self-employed, and the liberal professions affected by the cessation of their activities.\(^ {51}\) These measures mostly included the deferral of taxes and social contributions for three months starting from April. For impacted sectors such as construction and hotel industry, measures to facilitate access to credit were introduced.

The government has also initiated several consultations with experts and social partners to discuss pathways to achieving prosperity after the crisis but has yet to announce any long-term measures.

**Private sector response to the COVID-19 crisis: Resistance or solidarity**

As soon as the pandemic broke, political tensions erupted regarding the role to be played by the private sector amid the crisis. In a TV appearance on 20 March 2020, the head of the UTICA, Samir Majoul, stood against the vilification of the private sector and recalled the role of businesses as the generator of value, employment and growth and warned they should not be made to “pay the cost”. This was in response to statements by Elyes Fakhfekh, the president and others calling for the private sector to play a stronger financial role in mitigating the impact of the crisis. Conversely, representatives of the most impacted sectors have also warned about the socio-economic impact of COVID-19 calling on the state to develop a rescue plan for the most affected sectors.\(^ {52}\)

With reference to the literature on corporate social responsibility and business ethics, we distinguish in our analysis between two sets of possible actions that companies may undertake: (1) binding/enforceable actions related to the core of their activities and the recovery of their businesses following COVID-19; and (2) actions related to their broader societal role amid the crisis.
Mixed sectoral reaction to government-enforced measures

As soon as the main social dialogue partners UTICA and UGTT reached an agreement regarding the disbursement of wages for April, several sectoral employers’ federations manifested their resistance. The Tunisian Textile-Clothing Federation (FTTH), part of UTICA, for instance, raised concerns about their obligation to disburse wages for April, stating that this would only worsen the existing crisis in their sector. Another prominent employers’ association, CONECT (Confédération des Entreprises Citoyennes de Tunisie) issued a statement strongly condemning the consensus reached, also raising concerns that paying full wages is only going to negatively impact businesses whose economic situation is already fragile amid the crisis. Representatives of other sectors were also reticent about the agreement. Among the measures suggested by these employer federations, is the temporary weakening of certain acquired workers’ rights such as paid holidays, earning a 13th month of salary and allowing employers to recover worked hours beyond the current two-month limit.  

A rise of voluntary solidarity initiatives at the inception of the crisis

A report released by the UTICA in April 2020 highlights the contributions of the private sector during the pandemic. In a survey covering 230 private sector representatives of medium and large companies, the report showcased several ways companies have shown solidarity in response to the crisis. Initiatives ranged from financing a solidarity fund against COVID-19, purchasing medical equipment and supplies, supporting with digitalization efforts, and providing hotel rooms for confining quarantined individuals. While no further details on the identity of the companies surveyed were given beyond their sectoral repartition, the report estimates the contribution of surveyed companies to be worth 114,677 millions dinars – including the contribution of interviewed financial institutions.

The Tunisian Professional Association of Banks (APTBEF) also issued a statement re-iterating the social role that banks intend to play, confirming that the banking
sector committed 112 million dinars in support measures for businesses and low-income families.\textsuperscript{55}

In a joint press release published on 10 April 2020, the ministries of finance and health indicated that the total citizen and company donations into the national fund created to limit the economic and social impact of the pandemic (known as that 1818 Fund, in reference to the SMS number used to donate) amounted to 81.1 million dinars as of 8 April. Yet, the amount of the exact contributions from companies has not been made public.

Reconciling state-business relations amid the pandemic: The need for strengthened accountability of businesses

So far, little attention was drawn to how the government can effectively embed its response to COVID-19 within a broader approach to the systemic socio-economic challenges of Tunisia.

COVID-19 exposes first and foremost the precarity of the country’s labour and the difficulty of effectively implementing policies that protect workers. On the one hand, policies supporting businesses (and their workers) assume that state-business and employer-employee relations are well-functioning. On the other, policies supporting vulnerable individuals disregard the structural gaps in social protection.

It is important to point that for a country the size of Tunisia and with its challenges, the government and institutions have made remarkable efforts to protect citizens during the crisis. Yet, despite the goodwill behind the measures taken to support businesses, they only respond to a small fraction of the problem where the informal unregistered business are high, and where informality is persistent even within the formal private sector.
In the context of an economy where corruption is endemic and in the absence of effective enforcement and strong labour inspections – especially given the difficulty of conducting inspections during the pandemic adding to the structural challenges with inspection itself –, incentives are low for actors of the private sector to comply with the payment of wages consensus especially in light of the morose economic prospects.

Without proper monitoring and given the challenges of accessing justice and remedies, there is a high risk of incomplete payment of wages, which are further amplified for vulnerable workers as these are often less likely to complain. Furthermore, despite the possibility of state support for paying salaries for unregistered workers on the condition of including them in social schemes, general evidence on previous formalization efforts suggests that for the new entrepreneurial class of operators, the issue is less whether they are able to comply with commercial and employment regulations and more about whether they are willing to comply.  

Anecdotal evidence from workers’ interviews, social media, and journalists’ reports already hint at cases of abusive dismissal occurring during the crisis as well as non-payment of wages among small businesses, hairdressers, waiters, and mechanics. It is also unlikely that temporary workers and workers without any contract will be protected by any scheme.

The plan for cash distribution to the vulnerable is also flawed as it requires people to register to access the benefits while in confinement and with limited access to the relevant authorities online or in rural areas. This is especially compounded by the fact that behavioural shifts and attitudes towards digitalization take time and require training and preparation.

As for cash payments and social aid, doubts arose about the effective targeting of these programmes as the national body for the fight against corruption (INLUCC) announced in a press release on 26 April 2020 that it has received several complaints concerning offences and suspicions of abuse of power.

Despite the reactivity in the government’s measures, the crisis has been somehow tackled in isolation from the broader challenges caused by crony capitalism and...
corruption. While evidence suggests that at time of crises risks of corruption are potentially higher,\textsuperscript{60} in the Tunisian political lexicon, “the war against COVID-19” has supplemented the “war against corruption” even though patterns of corruption continue to persist amid the crisis.

Recently, statements by the head of the government were criticized by media and civil society\textsuperscript{61} for trivializing corruption following suspicions regarding the award by the ministry of industry of a contract to manufacture 2 million masks to a deputy from the Al Badil party who is also a member of the parliamentary committee on industry and energy.\textsuperscript{62} Furthermore, suspicions of corruption committed by political regional delegates have caused recent shortages of semolina, a state-subsidized basic good essential for cheap bread production. Reports allege that the commodity is diverted for circulation to illicit traders, speculators and black markets. However, the government responded quickly by strengthening sanctions against speculators.\textsuperscript{63}

Additionally, the measures laid out in support of businesses have also not fully accounted for the fragmentation of the private sector and the vulnerability of different categories of companies. For instance, companies operating call centres benefiting from the offshore fiscal policy will receive state support for wage payment. While this was conceived as a policy to ensure that workers do not pay the price of the pandemic, the government could have further ensured that this financial injection is not a gift to companies by seeking written commitments forbidding the distribution of dividends and ensuring that such injections are paid by the company. Conversely, registered subsistence entrepreneurs – self-employed earning their income through market stands – were considered by the government as business owners. While they have received benefits consisting of a freeze of loans payment, for many daily entrepreneurs, the interruption of activities means the interruption of any income for them and their families. For example, taxi drivers organized a protest calling attention to their vulnerability as independent businesses soon after the measures were announced.\textsuperscript{64}

Calling on companies’ benevolent and “patriotic” contribution to respond to COVID-19 can be an appropriate measure to make “fiscal space” for cases of \textit{force majeure} like these. Voluntary corporate benevolent initiatives have been important in setting a “race to the top” among companies and bringing
international attention to positive examples of workers’ engagement. However, in the Tunisian context, where state-business lack of transparency has been a persistent issue, extra scrutiny should be applied to ensure that corporate social responsibility is not used as a tool to boast about social achievements and restore tarnished image while avoiding regulations. Recalling the climate of rent-seeking and fiscal evasion, the government and legal institutions could have, for instance, disclosed the exact amounts of the contributions of companies.

International labour standards ratified by Tunisia as well as the labour code legislation recall that companies and investors have binding responsibilities vis-à-vis society, the countries in which they operate and the workers they employ. Initiatives taken in the context of Corporate Social Responsibility should not serve to wash away any negative impact the companies’ activities might have on their workers, their community and the environment.⁶⁵

**Pathways to accountability of the private sector**

As COVID-19 exposed the vulnerability of individuals in the economy and the fragility of businesses in Tunisia, the priority is to build an economy that not only creates jobs and serves elites but also works for and protects people and the environment. Tunisia’s future of social cohesion lies in appropriate investments that set a fair and just economy ruled by effective state-business relations and strengthened social protection for all.⁶⁶

While accountability efforts in Tunisia have so far focused on state behaviour, accountability redirected to both state and businesses as a “set of multiple reciprocal relations grounded in normative standards and directed toward general ends”⁶⁷ would benefit individuals and pave the way to a fairer economy. Tunisian workers and citizens would benefit from a vision of businesses that not only prioritize economic growth but also provides answerability monitoring and transparency with accrued compliance with national and international standards.

Effective dialogues around the accountability of the private sector in Tunisia post-revolution remained so far embryonic.⁶⁸ Nonetheless, current sectoral demands
for state and economic recovery in the context of the pandemic is an excellent opportunity to set a clear agenda regarding the role of businesses in Tunisian society.

Because the economic challenges in Tunisia clearly go beyond job creation, the discussions should also focus on fiscal and social justice. This is of particular relevance to the Tunisian context as sectors which are impacted the most by the crisis (export-oriented garment sector, construction sectors and hotel industry) are those which carry particular human rights risks for workers in them.

Fair sanctions on businesses that do not respect rights and more answerability by businesses to different stakeholders can ease social tensions and serve as milestones in rethinking a fair and sustainable economy. However, to lead that conversation, the government should lead on exemplarity. There is, therefore, an urgent need for cutting ties with crony capitalism and corruption. It is somewhat reassuring that in laying out government’s measures to support businesses, the ministry of finance has reiterated the priority of fighting corruption and formalizing the economy. The question of how it will achieve these is a crucial one, especially that these measures will require political determination as fierce resistance can be expected from those who are at risk of losing rents and privileges. A good approach in that regard is to boost efforts on promulgating legislation clarifying the conditions of legibility for the parliament and accelerating the voting of law setting rules for lobbying in Tunisia. It is also crucial to increase financial support and empowerment to instances (such as the INLUCC tasking with fighting corruption) to raise investigations regarding tax evasion and for this information to be made public.

Conversely, efforts should be made to empower individuals and protect vulnerable workers as COVID-19 has highlighted the need to strengthen the social protection of all citizens in Tunisia. A positive measure from the government is the recent launch of a single identifying number for all citizens which will allow a better monitoring of vulnerability in Tunisia. Concerted efforts should be made to strengthen social protection in light of a full diagnosis of workers’ vulnerability. Measures could include aligning maternity leave with international standards and extending protection to migrant workers. It is also essential to unify and strengthen labour inspection while addressing the systemic issues of social

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security deficit. The government can rely on the Corporate Social Responsibility law in Tunisia to get companies to strengthen their investments in social protection using binding as well as voluntary measures.

As the government will be negotiating and planning recovery plan following COVID-19, it is critical that discussions and measures to support businesses should come with transparent strings attached to end vulnerability and tackle corruption.
Endnotes


5. See https://www.youtube.com/watch?time_continue=25&v=rjoEjkT76Fl&feature=emb_title and https://ftdes.net/ar/femmes-agricole/?fbclid=IwAR1V2mo1TSd65mpu01Qm9OMC73Pz71msDJT8nDxa89FGWqrMU_CSUplQ


21. (Bellin 1994 ; Cassarino 2004 ; Hibou 2006 ; 2008


26. See interview with the previous advisor Faycel Derbel here https://www.tunisienumerique.com/tunisie-levasion-fiscale-seleve-a-25-milliards-de-dinars/


29. See https://www.conect.org.tn/sites/default/files/Pr%C2%82sentation%20visuelle.pdf

30. See the research of Observatoire Tunisien Economique


32. See here https://inkyfada.com/fr/2018/01/19/limites-systeme-offshore-tunisie/

33. See https://www.ecfr.eu/publications/summary/peripheral_vision_how_europe_can_preserve_tunisias_democracy_7215


42. Interview with social security director Tunisia. https://www.webmanagercenter.com/2019/11/19/441491/tunisie-pres-de-70-des-travailleuses-agricoles-nont-pas-de-couverture-sociale/
43. Tunisian National Institute of Statistics
44. See https://www.equaltimes.org/tunisia-s-slow-but-steady-march?lang=en#XsBnkRNKgdU
45. https://journals.openedition.org/remi/9244
49. Decree-law n°2-2020 (14 April 2020) suspending some articles of the labour code
52. See statement of construction federation and tourism federation here https://www.webmanagercenter.com/2020/05/14/450237/tunisie-btp-nous-appelons-letat-a-assurer-son-role-dinvestisseur-locomotive-indique-jamel-ksibi/
58. Author conducted interviews with workers from hairdressers, cafe businesses in great Tunis. The author also spoke with the unions. More references here, see https://thd.tn/coronavirus-38-des-entreprises-tic-tunisiennes-pensent-a-licencier/
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65. Critical perspectives on CSR Banarjee [https://openaccess.city.ac.uk/id/eprint/6083/1/](https://openaccess.city.ac.uk/id/eprint/6083/1/)

66. I use social protection as opposite to social security as the concept implies a broader coverage which is relevant for the context of loosely defined and traced vulnerability of labour in Tunisia.


68. See Kamal Nabli op-ed here. [https://www.businessnews.com.tn/Le-temps-de-la-solidarite%C3%A9-plut%C3%B4t-que-cellu-de-la-discorde,526,96899,3](https://www.businessnews.com.tn/Le-temps-de-la-solidarite%C3%A9-plut%C3%B4t-que-cellu-de-la-discorde,526,96899,3)

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- We mobilize stakeholders to build coalitions for positive change

Our aim is to see vibrant democratic societies emerge and grow in the region.

Founded in 2005, the Arab Reform Initiative is governed by a Plenary of its members and an Executive Committee.

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