Democratic deficits in the midst of liberalisation

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In 1987, following a crisis in the balance of payments, Tunisia entered a structural adjustment programme, aimed at liberalising the economy and cutting the State's role in competitive economic sectors. From 1997 onwards, the government accelerated the process and started selling companies that were not losing money. Civil society has been unable to exert pressure on the government to prevent decisions being made contrary to the interests of the majority.

In 1987, following a crisis in the balance of payments, Tunisia entered a structural adjustment programme aimed at liberalising the economy and cutting the State's role in competitive economic sectors. The process started slowly and with strong state investment, in an attempt to make the public sector competitive. First hotels and commercial establishments—at that time being easier to sell—were privatised, and then textiles, foodstuffs, transport, chemicals, building materials and suppliers of electric and mechanical equipment. From 1997 onwards, the government accelerated the process and started selling profitable companies. Between 1997 and 2000 alone, 66 companies were privatised. At the beginning of 2001, the government issued a list with 41 other public companies that were to be privatised.

The present situation

Strong pressure is being exerted on the state budget, owing to the drop in treasury income caused by the elimination of tariffs, and the expected fall in non-tax income caused by the drop in income from oil. The drop in income from public companies to be partially or totally privatised also creates a complex situation that is getting worse after four years of drought. Furthermore, the decreased income from the tourist sector following the events of 11 September 2001 and the attack at Djerba in April 2002—which claimed some twenty German victims—should also be taken into account. All this has affected the citizens' purchasing power, which has fallen by 25% since the mid-1980s, because the government has had to withdraw its support to products of primary necessity.

The slower rate of world growth, the rise in essential convertible currencies such as the dollar and the euro, the opening up of the European market (to which Tunisia is linked through an association agreement) to new member states and, finally, changes in climate have all added to the hard blows received by the country in vital sectors such as tourism and handicrafts.

Nevertheless, official figures indicate a retrocession in the poverty index, which dropped from 6.2% in 1995 to 4.2% at present. The rate of sub-standard housing has also dropped: 1.2% in the year 2000 against 8.8% in 1984. The rate of connection to drinking water is 79.5% and the electrification rate was 95% in 2001. The rate of social security coverage has reached 85%. Given that 15% of Tunisians are not covered by social security, it is urgent that the government reforms the system in such a way as to ensure sufficient coverage for all.

The economically active population amounts to 3,292,700 people (according to 2001 figures), of whom 75.4% are men and 24.6% are women. The demand for new jobs will reach 80,000 per year in the next few years, owing to the continuously increasing number of women in the labour market

and the number of women receiving diplomas reaching 25,000 per year. The service sector was the greatest source of income during the 1990s. Administrative and commercial services represented 55% of the GDP. Thus, this sector has generated the greatest number of jobs, with 44.1% of the labour force, owing to a significant drop in the agricultural sector.

According to official 2001 statistics, unemployment is 15%. However, according to some experts, the proportion is greater, particularly in the poorer regions inland, which are less attractive to investors, and where unemployment may reach as high as 30%. It should be noted that pressure on the labour market comes from people having a low level of education (13% of the unemployed in 1999 were illiterate and 48% had not gone beyond primary education). The threat of unemployment hangs over whole sectors of the population and is accentuated by the probable increase in dismissals for economic reasons due to restructuring, bankruptcy or privatisation, which continues to be slow in spite of the advantages gained thereby.

Despite these positive aspects of government action to mitigate the negative effects of globalisation, feminist associations, trade unions and human rights organisations fear that a difficult stage lies ahead. In fact, continuing the transfer of public companies to the benefit of national and foreign capital may endanger the existence of numerous social achievements. Among them, note should be taken of the creation, during the period of the Ninth Development Plan (1997-2001) of 322,000 new workstations; an increase in the per capita income (from USD 1,478 in 1996 to USD 2,100 in 2001); an increase in life expectancy from 71 years in 1994 to 72.9 years; a drop in the infant mortality rate from 29.7 per thousand to 25.8 per thousand over the same period; an increase in the schooling rate for the age group between 6 and 24 years of age from 61.7% in 1994 to 68.4% in 2001 and in the 20-24 years of age group, from 12.5% to 23%; a reduction of the illiteracy rate: 24.7% in 2001 against 31.7% in 1994; an increase in the rate of connection to drinking water in rural areas rising to 81% in 2001 against 68.3% in 1996; an improvement in the rate of rural electrification that reached 91.7% in 2001 against 75.7% in 1996; and a drop in sub-standard housing from 2.7% to 1.2% in 2001.3

Female labour

The number of economically active women increased tenfold between 1966 and 1977, while over the same period the total of working people only doubled. Although the proportion of female labour showed an increase, in 1997 men were still heading the labour market at a ratio of three men to each woman. It was observed that the proportion of single or divorced working women is greater than that of married women as their inherent family responsibilities curb their access to the labour market.

¹ The author is grateful to Ms. Souhayr Belhassen.

² http://www.ins.nat.tn/

 $^{3\,\,}$ Republic of Tunisia. Brief outline of the Tenth Development Plan 2002-2006.

The services sector employs an important volume of women, mainly in the teaching, health and civil service sectors, although it should be noted that many of the positions occupied by women are poorly paid. However, the industrial sector is the largest employer of women: 43.4% against 37.5% in the service sector, and the textile industry essentially relies on women, as it employs almost one third of the active female population.

It should be noted that approximately 40,000 women do not work more than three months a year, carrying out part-time or seasonal jobs. Many companies, including those in the public sector, resort to temporary employment methods, such as short-term contracts. To this should be added the fact that towards 2005, the date when the Multi-Fibre Agreement for textile companies expires,⁴ Tunisia may find itself deprived of the advantages it has had for the protection of this sector, a major employer of female workers.

Subcontracting—a phenomenon that arose in the 1970s and which, according to the experts, will increase with globalisation of the economy and instability of the labour market—will have negative consequences on the situation of women and provoke a feminisation of poverty.

Opening up markets

With the Tenth Development Plan covering the period 2002-2006, the private sector has become an essential element in economic and social development, given that it is obliged to reach 58.5% of global investment by 2006 (this figure was 55% in 2001). Thus, liberalisation of certain strategic sectors should be continued—like transport, for example—and efforts should be made to attract foreign direct investment towards the sectors having the greatest capital gains, such as agro-foodstuffs or the pharmaceutical sector.

How far can the government control prices and impose loyal competition while guaranteeing transparency in economic transactions and increasing exports of local goods? The reforms undertaken over the past years by the government are aimed at replacing the system of accumulation regulated by the State, by a system of accumulation regulated by the foreign market. The Tunisian trade unions are convinced that this attitude involves threats of repercussions to the social strata that are most vulnerable to the negative effects of the liberalisation wave.

A clear retrocession has been observed in foreign direct investment in the industrial and agricultural sectors and progress has been made in the service sector, particularly tourism and the real estate market, in a proportion close on 50% of investment. In the light of trends of the previous years, and in spite of a prudent and progressive policy for liberalisation of the service sector, the fears regarding the negative consequences of opening up to competition imposed by the WTO are still valid. For this reason, the Tenth Development Plan prepared by the government foresees a strengthening of state intervention to contain and attenuate the disadvantages of liberalising the economy. Among them, it faces the challenge of unemployment by the creation of 380,000 workstations, that is to say, 95% of the additional demand, and a reduction in the unemployment rate from 15% to 13%. The Plan also proposes to increase social security coverage to 90% in 2006, reduce the illiteracy rate from 24.7%

In the light of these challenges and threats, the privatisation of essential services—such as transport—has fundamental negative repercussions on the least favoured levels of the population, but also on the middle classes, which are the backbone of social stability in Tunisia and seem to be increasingly threatened. Wage earners also fear the prospect of supporting the cost of health insurance and are worried about procedures to install a citizen-financed educational system, even in the framework of what is commonly called «the school of tomorrow.»

The poorest population, which according to official figures includes nearly half a million people, will be the most affected, in particular in inland zones of the country (where poverty reaches 11.7% in the southeast of Tunisia). Despite the effort of numerous and diverse official institutions to promote services to benefit the neediest sectors or those who live from a parallel market, their scant coordination causes numerous irregularities in management and lessens their effectiveness.

Conclusion

These challenges and dangers demand a commitment by civil society that must act to insure keeping the advantages achieved. However, as indicated in the National Report on Human Development (1999), one of the greatest weaknesses of the Tunisian experience is the lack of evolution in civil society participation in decision-making, be this in economic, social or political life. The result is that the margin of public freedom is narrow—in particular, freedom of organisation and expression—and any excess beyond the limits imposed is persecuted.⁵

The development associations and organisations in defence of human and women's rights face such difficulties that their participation in the debate on economic decisions and defence of citizen social rights is limited or even prevented. The institutions devoted to the social context suffer from a lack of democracy in their internal operation, which removes them from the masses (in this respect, see the economic and social report by the Tunisian General Workers Union). For this reason, civil society is unable to exert pressure on the government to prevent decisions being made that are contrary to the interests of the majority.

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in 2001 to 16% in 2006 and progressively increase the higher education rates from 23% in 2001 to 30% in 2006. In general terms, the four-fold increase in social expenditure between 1986 and the year 2000, when it reached 20% of the GDP, should be noted.

⁴ The Multifibre Agreement regarding International Trade in Textiles (MFA) is an internationally agreed on derogation of GATT rules which enables the signatory countries to apply quantitative restrictions on textile imports when it considers that they are necessary to prevent disorganisation of the market, even when such restrictions are contrary to GATT regulations. As from 2005, all the MFA will have to suscribe to GATT regulations.

⁵ In March 2001, Amnesty International called on the Tunisian authorities to halt what they described as an escalation of unprecedented persecution incidents against human rights activists. In a new report AI pointed out that the pressure campaign started when the Tunisian League of Human Rights was suspended in November 2000. Since that date all meetings of the members of the League have been prevented by security services. The report also states that legal procedures had been lauched against the president of the League for Human Rights, Moktar Trifi and against other authorities.