

LABOUR MARKET PROFILE TUNISIA – 2020/2021



The profile provides a comprehensive overview of the labour market's structures, development, and challenges.

Danish Trade Union
Development Agency,
Analytical Unit



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DANISH TRADE UNION DEVELOPMENT AGENCY

PREFACE

The Danish Trade Union Development Agency (DTDA) is the development organisation of the Danish trade union movement. It was established in 1987 by the two largest Danish confederations – Danish Federation of Trade Unions (Danish acronym: LO) and Danish Confederation of Professionals (Danish acronym: FTF). These two organisations merged to become the Danish Trade Union Confederation (Danish acronym: FH) in January 2019. The name of this organisation, former known as the LO/FTF Council, was changed to DTDA.

The work of DTDA is in line with the sustainable development goals and the International Labour Organization's (ILO) Decent Work Agenda (DWA). The four Decent Work Pillars: Creating decent jobs, guaranteeing rights at work, extending social protection, and promoting social dialogue forms the overall development objective of DTDA's interventions in the South. The core objective is to eradicate poverty and support the development of just and democratic societies by furthering the DWA.

DTDA works in partnership with trade union organisations in Africa, Asia, Latin America, and the Middle East. The immediate objective of the programme collaboration is to assist the partner organisations in becoming change agents in their own national and regional labour market context, capable of achieving tangible improvements in the national DWA conditions and towards the achievement of the labour-related Sustainable Development Goals' (SDGs).

The format of the Labour Market Profile (LMP) provides a comprehensive overview of the labour market situation in the individual countries of engagement. LMP aims at giving a comprehensive view of structures, developments and challenges in the labour markets. The document is divided into eleven thematic sections describing trade unions, employers' organisations, government, bi-/tripartite institutions and social dialogue, national labour legislation, violations of trade union rights, working conditions, status of the workforce, education, social protection, and economy.

In the framework of DWA and SDGs, LMPs are reporting on several key indicators addressing several aspects of labour market development, especially the trade union membership evolution, social dialogue and bi-/tri-partite

mechanisms, policy development and legal reforms, status vis-à-vis ILO conventions and labour standards, among others.

Main sources of data and information for LMPs are:

- As part of program implementation and monitoring, national partner organisations provide annual narrative progress reports, including information on labour market developments. Specific types of data and information relating to key indicators are collected by use of a unique data collection tool.
- National statistical institutions and international databanks are used as source for collection of general (statistical) data and information. It includes the ILOSTAT and NATLEX, World Bank Open Data, ITUC Survey of violations of Trade Union Rights, the U.S. Department of State as well as other labour related global indexes.
- Academia and media sources (e.g. LabourStart, national news, etc.) are also used in the general research on labour market issues.

Labour Market Profiles for more than 30 countries are available on the DTDA's [website](#).

DTDA's Analytical Unit in Copenhagen prepared the desk study of the Labour Market Profile in collaboration with the DTDA MENA sub-Regional Office in Tunisia and Jordan.

Cover Photo: butcher worker in Tunisia photographed by Mr. Carsten Sneibjerg.

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EXECUTIVE SUMMARY

The Republic of Tunisia is experiencing a democratic transition. Despite this improvement, economic development has been challenged by an unsustainable level of public spending, increasing debt, and declining production in central sectors. Labour productivity was increasing and stayed in line with the Northern Africa average. Real wage hikes were stymied by increasing inflation in consumer prices. Workers' working conditions were deteriorating that fostered mass actions in the streets. The economy even entered recession in 2020 as an impact of the global Coronavirus epidemic.

A series of labour-related laws and policies have been launched during the 2010s, especially in areas of tripartite consultations, equality of opportunity and treatment, and social security. There are several observations in legislation concerning the international standards in workers' rights. There are some improvements in the social dialogue institutions. For example, the long-awaited tripartite National Council for Social Dialogue was inaugurated in November 2018, which, among others, has supported discussions on the establishment of 'job-less fund' and national platform for social protection. Act No. 2017-54 initiated the representation at the enterprise level setting platforms to promote alignment of company policies to organise Health and Safety Committees. Collective bargaining is prevalent in the formal sector; for example, Collective Bargaining Agreements (CBAs) coverage at around 56% among employees.

According to Tunisian employers' opinion, cooperation in labour-employer relations is fragile. The trade union movement experienced a growing membership rate, and the trade union density was estimated at 38% among total employment in 2019. The government held social dialogue negotiations only with UGTT. The three other central trade union organisations – CGTT, UTT and OTT – launched joint statements complaining that their representation is ignored and excluded from tripartite negotiations. The Administrative Court's verdict in February 2019 supported the three latter unions have the right to participate in social dialogue at all levels based on proportional representation, which can change the unionism's landscape in Tunisia. Another aspect is the application of flexible work contract conditions that have challenged the enrolment of

organised workers in trade unions. Furthermore, Tunisian workers experience systematic violations of rights in practice, e.g. trade unions have experienced several both threats and physical attacks.

Around one out of two Tunisian workers operate in the informal economy. They loophole labour and business regulations, and most often, they lack awareness of the workers' rights or incentives to formalise activities.

During the last two decades, there were minor changes in the employment structure. More than half of the workforce is economically inactive. Women contribute 24% of total employment and are underrepresented in all sectors. The manufacturing industry has driven the country's Gross Domestic Production (GDP) growth, but it has decreased significantly. It fosters changes in Export Processing Zones (EPZs) to opening Technology Parks in recent years. A central issue in Tunisia is the persistently high youth unemployment rate of 24%, which is concentrated among the more educated; echoed in educational mismatch and too low economic growth stymieing job creation.

The Tunisians diaspora plays a role in the country's economy: personal remittances are almost double as high than Foreign Direct Investments. This remittance flow is projected to be struck by the global Coronavirus epidemic. The country also hosts a large segment of migrants from either Libya or other African countries, as Tunisia functions as a transit country for persons aiming to reach Europe through irregular migration.

Despite the relatively low child labour rate in Tunisia, it appears to become more pervasive and visible in the aftermath of the Tunisian Revolution in 2011. The education system is confronting a wide range of challenges mirrored in high school dropout rates.

Tunisia's social protection system is relatively well-developed, but its programmes have poor targeting of benefits, fragmented, and expensive. Just half of the population is covered by health insurance, excluding informal workers. However, a new system of social security opened for casual workers in 2019, followed by procedures for workers with irregular income to encourage them to join the tax and social security systems.

The table below provides an overview of key labour market indicators in the framework of the Decent Work Agenda (DWA) in Tunisia.

The next page, Page iv, provides an update of Sustainable Development Goals' labour market related indicators in current value and targets.

Status of key labour market indicators in the framework of the Decent Work Agenda (DWA) in Tunisia

Creating decent jobs	
Policy reforms addressing creation of decent employment	Active labour market policies have been implemented over decades. In recent years, Tunisia's social protection and labour policies are reviewed since critical reforms are needed to protect the workforce that is challenged by meagre real GDP growth rate and high unemployment rate.
ILO standard setting on improvement of status of workers from the informal economy	The authorities are implementing a system to monitor the informal economy since 2013 through labour and micro-enterprise surveys. Tripartite National Informal Economic Forum and other National Forum addressing status of informal economy workers are not available.
Guaranteeing rights at work	
Growth in partner trade union members from year 2016 to 2019 (%) (UGTT)	Approximately 7.1 %.
Violations of trade union rights	Ranking 4 out of 5 (5+ is the worst) which is exemplified by 'systematic violations of rights'. *
Labour legislation is improved according to ILO standards	In recent years, the authorities have implemented vast legislative effort to employment and facilitate and simplify investment in Tunisia to boost the economy and create employment.
Partner organisations with minimum 30% women representation in decision-making bodies (UGTT)	One woman was included in the board's management for the first time in 2017 since the country's independence. Soon after, two other women integrated the centre's governance structures, namely the bylaws and financial control committees, respectively. Currently, the women's committee of the UGTT has 24 branches throughout the country.
Extending social protection	
Health social protection coverage as % of total population in partner countries	Around half the population is covered by health insurance. Non-contributory system is under the purview of the Ministry of Social Affairs, but important social assistance programmes are implemented. Current budgetary shortcomings and demographic changes are posing some serious threats to the social protection sustainability.
Workers from the informal economy have access to national social security schemes	Workers in the informal economy lacked access to national security schemes. However, several initiatives were launched in recent years to broaden the coverage of social security. First, in February 2019 a new system of social security was launched. It allows seasonal workers in agriculture, fishing and other workers to subscribe on condition that they pay the full fees of inscription, and they shall not benefit from it unless they pay their inscriptions over the whole period of their work types. The government also made resolution no. 19 of 2020 on establishing special procedures for people with irregular income to encourage them join the tax and social security systems.
Promoting social dialogue	
Trade union density of employees (%)	49 %
Cooperation in labour-employer relations	Ranking 127 out of 141 (1 is best) **
Number of Collective Bargaining Agreements (CBAs)	One national framework agreement (last renewed for the period 2018-2019) in the private sector. This agreement was concluded first in 2011, then renewed in 2012, 2014-2015, 2016-2017 and lastly 2018-2019. Usually this agreement entails 51 subsector agreements out of 54 subsectors in the private sector (3 subsectors were excluded due to problems), but this procedure was not enforced since 2008. The UGTT aims at bringing these 51 subsector CBAs back to life in 2020 as part of the 2020 negotiations for the private sector framework agreement.
Workers' coverage of Collective Bargaining Agreements to employees	Approximately 56 %.
Bi-/tri- partite agreements concluded	The Act No. 2017-54 initiated the representation of personnel in enterprises, which includes platforms to promote alignment of company policies to organise Health and Safety Committees. In addition, the long-awaited tripartite National Council for Social Dialogue was inaugurated in November 2018. The council has held meetings since its creation, and focused its efforts on establishing its bylaws, and then later meetings held in 2019 included discussions on establishment of unemployment job-loss fund and national platform for social protection.
* Countries with a rating of 4 are interpreted as governments and/or companies engaging in serious efforts to reduce the collective voice of workers and put fundamental labour rights under threat (Source: ITUC, Global Rights Index).	
** This indicator is based on data from the Global Competitiveness Index that represents employers' opinion from surveys (Source: World Economic Forum)	
Sources: The World Bank, The International Policy Centre for Inclusive Growth, DTDA data collection and calculations on trade union density.	

Status of key Sustainable Development Goals in labour market related issues in Tunisia

Indicators	Value	Year	SDG Targets
1.1.1: Working poverty rate (percentage of employed living below US\$1.9 PPP)	0.3 %	2020	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day
1.3.1 Proportion of population covered by social protection floors/systems	54 % *	2017	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
5.5.2: Women share of employment in managerial positions	15 %	2012	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
8.1.1: Annual growth rate of real GDP per capita	2.5%	2018	Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries
8.2.1: Annual growth rate of real GDP per employed person (based on annual growth rates of labour productivity).	2.0 %	2020	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation through a focus on high-value added and labour-intensive sectors.
8.3.1: Proportion of informal employment in non-agriculture employment	40 % **	2014	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, through access to financial services
8.3.1: Women	-	-	
8.3.1: Men	-	-	
8.5.1: Average hourly earnings of women and men employees	-	-	By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.
8.5.2: Unemployment rate (Total)	15 %	2019	
8.5.2: Women, 15+	22 %	2019	
8.5.2: Women, 15-24 years	-	-	
8.5.2: Men, 15+	12 %	2019	
8.5.2: Men, 15-24 years	-	-	
8.6.1: Proportion of youth (15-24 years) not in education, employment or training)	25 %	2010	By 2020, substantially reduce the proportion of youth not in employment, education or training
8.7.1: Proportion and number of children aged 5-17 years engaged in child labour (Total)	2.3 %	2011	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025, end child labour in all its forms
8.7.1: Girls	1.4 %	2011	
8.7.1: Boys	3.0 %	2011	
8.8.1: Frequency rates of fatal occupational injuries	13.1	2004	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
8.8.1: Frequency rates of non-fatal occupational injuries	3,639	2004	
9.2.2: Manufacturing employment as a proportion of total employment	19 %	2015	Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries
10.4.1: Labour income share as a percent of GDP	46 %	2017	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

* Value of persons above retirement age receiving a pension (Contingency).

Source: [United Nations, Sustainable Development Goals, Knowledge Platform, CRES and AfDB, Protection sociale et économie informelle en Tunisie Défis de la transition vers l'économie formelle, May 2016](#), [National Statistics Institute](#)

COUNTRY MAP



Source: [CIA, The Worldfact Book, Tunisia](#)

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ECONOMIC PERFORMANCE

During the transition after the Tunisian Revolution triggered in 2011, efforts have been focused on political challenges such as consolidating democratic gains that overall have been positive. These gains, one can argue, has come at the expense of economic setbacks.¹ The country's economy is not in good shape. It has several challenges such as an unsustainable level of public spending, increasing debt, low growth rates that cannot curb the high unemployment rate, and declining production in central sectors.²

The country has been under pressure from international lenders to freeze public sector wages to help reduce the budget deficit.³ Nevertheless, in 2020 wage expenditure is estimated at 19 billion dinars, an increase of 11% compared to 2019. This expenditure represents 15% of GDP, one of the highest rates in the world, which has open for criticism from Tunisia's economic partners.

The OECD price-regulation indicator for Tunisia is above the average for emerging countries and significantly higher than the OECD average. The share of food and fuel subsidies as a percentage of GDP in Tunisia has been increasing since 2016. It exceeds the levels of some resource-poor, labour-abundant MENA countries such as Jordan, Morocco, and Egypt.⁴

With a GDP per capita situated at US\$3,448 and Tunisia ranks as number 131 out of 228 measured countries. In 2018, Tunisia's economic growth was estimated at 2.5%, and 1.9% on average in the period from 2014 to 2018 (see Table 1). Growth has been spurred by agriculture and market services. The economic growth was estimated at 1.5% in 2019. IMF has expected that the Tunisia economy would shrink by 4.3% during 2020 as an impact of the global Corona epidemic.

Table 1: Key economic data in Tunisia, 2018

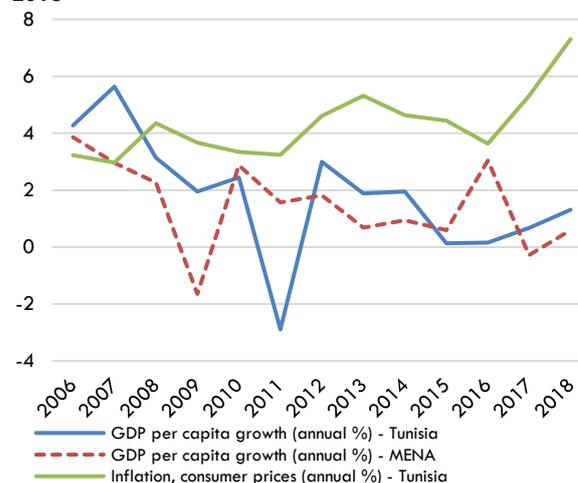
GDP	US\$ 39.9 billion
GDP per capita (current US\$)	US\$ 3,448
GDP real growth (2014-2018, av.)	1.9 %
Inflation, consumer prices	7.3 %

Sources: [World Bank, World Development Indicators](#)

Tunisia's GDP per capita growth trend has followed the MENA (excluding high-income average) trend, excepts a deep drop in 2011 in the aftermath of the Tunisia Revolution (Figure 1). The country is ranking 127 out of 228 countries regarding GDP per capita in PPP (1 is richest).⁵ The inflation rate has been on the rise in recent

years, peaking of 7.3% in 2018, but down to 6.3% in 2019. It has been lower than the neighbouring country Libya of 9.2% while it was higher than Algeria's at 4.3% in 2018.

Figure 1: GDP per capita and inflation growth, %, 2009-2018



Source: [World Bank, World Development Indicators](#)

The Tunisian economy is marked by hefty government control. Government and state-owned institutions still dominate some key economic sectors, such as finance, hydrocarbons, pharmaceuticals, and utilities.⁶ The market is also affected by substantial price regulation and subsidies.

Tunisia is characterised by a wide disparity between the coastal and the interior regions, with significantly higher rates of poverty and food insecurity in the interior regions, rural areas and east. Tensions furthermore rise in 2020 as people struggle to cope with hunger and unemployment amid coronavirus outbreaks.

The amount of capital formation directs the share of value-added in the economy to invested rather than consumed. When it increases, it points towards that economic activities are in progress, which could support economic development and job creation. Gross fixed capital formation decreased to 19% of GDP in 2018, from 26% of GDP in 2010.⁷ Foreign Direct Investment (FDI) net inflows are the value of an inward direct investment made by non-resident investors in the reporting economy.⁸ Since 2006, the FDI value has decreased in Tunisia, especially in the period from 2006 to 2011. Hereafter the value has flattened out to be 2.5% of GDP in 2018. It is worthwhile to mention that the influx of personal remittance was at 4.7% of GDP on average from 2014 to 2018, almost double as high than FDI.

Petroleum exports and tourism are the main sources of foreign exchange, but the country has a diverse economy, ranging from agriculture, mining, manufacturing, and petroleum products to tourism.⁹ The relatively well-diversified economy makes Tunisia less vulnerable to global changes in demand. Tunisia's central export market is the European Union.

According to the Gini Index, the inequality in the distribution of family income has experienced a drop from 38% in 2005 to 33% in 2015. Thus, the country has relatively high-medium income equality ranking 68 out of 158 countries (1 is highest). Based on estimations, Tunisia has undergone an impressive rise of middle-class population during the last two decades: the employment by economic class of middle-class increased from 59% in 2000 to 91% in 2020 (Table 2). In the other end of the scale, the share of extremely poor workers has decreased from 2.6% to just 0.1%. Both moderately poor and near-poor employed also reduced drastically. An impact of the global Corona epidemic in 2020 is likely to revert this evolution of the middle-class but its scope is not yet possible to determine.

Table 2: Estimation and projection of employment by economic class in Tunisia, 2000-2020

Year	Extremely poor (<US\$1.90)	Moderately poor (>=US\$1.90 & <US\$3.20)	Near poor (>=US\$3.20 & <US\$5.5)	Middle class (>=US\$5.5)
2000	2.6 %	13 %	25 %	59 %
2010	0.5 %	3.3 %	18 %	79 %
2020	0.1 %	0.8 %	8.0 %	91 %

Note: Data in this table exclude the economically inactive population that covers around 54% of the population (age 15+).

Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

The Doing Business indexes Tunisia as 78 out of 190 countries in 2020, which is a slightly better ranking compared to the year-earlier (Appendix Table 25). The country is scoring better than the Middle East and North Africa average and Egypt (114), but it remains a lower ranking than Morocco's (53). Out of ten indicators, the country scores low paying taxes (108) and getting credit (104). Best scorings are in starting a business (19), dealing with construction permits (32), and protecting minority investors (61). It is worthwhile to mention that this index provides a snapshot of the cost of complying with formal regulations for companies that are not small enough to loophole the law or large enough to curve it, according to media.¹⁰

Export Processing Zones (EPZs)

Tunisia has chosen to establish EPZs to increase foreign exchange and create jobs. The country has two EPZs (officially known *Parcs d'Activités Economiques*) in Bizerte and Zarzis. A private company manages the zones. Companies in EPZs are exempt from taxes and customs duties and benefit from unrestricted foreign exchange transactions. Inputs enjoy limited duty-free entry into Tunisia for transformation and re-export. Companies that export at least 80% of their products benefit from a total exemption of company tax for ten years and a reduced rate by 50% after that. Companies are exporting less than 80% benefit from a partial exoneration.

EPZs are employing around 260,000 workers, which equal around 38% of 'employees', and export comprises 52% of total exports.¹¹ The EPZ programs are frequently cited as examples of robust, job-creating programs that have remained enclaves with few linkages to their host economies. In 2008, the EPZ share of manufactured exports had more than doubled since 1990.¹²

Workers in EPZs are excluded from the right to bargain collectively depriving them basic workers right.¹³ On a macroeconomic level, the EPZs are criticised for hampering a diversification of the national economy and that the zones remain enclaves of activities without linkages with domestic activities.¹⁴

Generally, the nature of SEZs in MENA is changing. For example, in Tunisia, Technology Parks were initiated in recent years.

NATIONAL LABOUR LEGISLATION

A wide range of new/amended labour-related laws and decrees have been approved in recent years in Tunisia. Some central legal changes are in the categories of tripartite consultations, equality of opportunity and treatment, social security, and specific categories of workers (See more in Appendix Table 22). The status of the main legislation is summarised below.

Constitution¹⁵

In the aftermath of the fall of the ex-president Ben Ali in January 2011, the parliament adopted a new constitution in January 2014. The reformed constitution protects the right to organise and to strike, equality of women, and freedom of expression, among others. Although the new constitution is applauded by many, the result also has many critics. Some argue it did not secure

a more Islamic-oriented law, while others have criticised it for being too Islamic-oriented, including ambiguous and contradictory paragraphs, leaving too much leeway for the interpretation. The new constitution makes Tunisia a decentralised and open government recognising Islam as the official state religion but protects freedom of belief.

During 2019, it was especially debated during the presidential referendum to amend the constitution to change the division of power between the prime minister and the head of state.

Labour Code

The Labour Code from 1966 with amendments sets a framework for a collective agreement. It protects the fundamental rights of workers, including the right to organise, striking, leave, the establishment of working hours, guaranteed minimum wages and guarantee of social security. Some of the main aspects enrolled in the law regulate working hours, overtime, leave, occupational safety and health, foreign employees, vocational training, apprenticeships, and protection of women workers. It also prohibits child labour, subterranean and night work for workers under 18 years.

The law prohibits antiunion discrimination by employers and retribution against strikers. It also established the employment agency, the labour inspectorate system, and industrial tribunals. It furthermore regulates strikes, lockouts, trade unions, individual and collective labour disputes. Strikes must be approved by UGTT. Although the labour code covers temporary workers, enforcement efforts are weaker than for permanent workers.

Back in the 1990s, the Labour Code was reformed to make it more flexibility in three particular areas. First, in recruitment, employers are not required to hire through employment agencies. However, may hire directly, may choose their future employees without any constraint and may use the model (fixed-term or permanent contract) they prefer when hiring people. Second, in layoffs, when employers dismiss workers, with or without due cause, the process is lengthy and expensive. Nevertheless, layoffs based on guilty of serious misconduct can be considered a flexible option as they offer the possibility of dismissing workers more easily. Third, in working hours, part-time workers find this option convenient, especially women in the clothing and textile sector where women labour is widely used. The option is still under-used because of the lack of suitable and clear regulations for working conditions and social protection.¹⁶

Labour Code has been criticised for distorting the creation of good quality jobs as hindering investment in higher value-added activities and innovation resulting in abusive types of labour arrangements.¹⁷ The code is also criticised for not fundamentally altering the balance of power between organised labour and capital.¹⁸ Not to mention, the legislation does not make sufficient references to subcontracting and lacks specific provisions in this regard.

Observations on labour legislation

The labour legislation framework has flaws in relation to international standards on the right to organise, the right to collective bargaining, and the right to strike. The International Trade Union Confederation (ITUC) has registered several aspects, among others:¹⁹

- Power to refuse official registration on arbitrary, unjustified, or ambiguous grounds.
- Sanctions imposed for organising or joining an organization not officially recognised.
- Restrictions on trade unions' right to establish branches, federation, and confederation or to affiliate with national and international organisations.
- Restrictions on the right to elect representatives and self-administer in full freedom.
- Previous authorisation or approval by authorities required to bargain collectively.
- Absence of criteria or discretionary, unclear or unreasonable criteria for determining representative organisations.
- Prohibition or limitation of collective bargaining at a certain level (local, regional, territorial, national; enterprise, industry, sector or general).
- Authorities' or employers' power to unilaterally annul, modify or extend content and scope of collective agreements.
- Authorities' approval of freely concluded collective agreements.
- Previous authorisation or approval by authorities required to hold a lawful strike.
- Restrictions with respect to type of strike action (e.g. pickets, wild-cat, working to rule, sit-down, go-slow).
- Excessive civil or penal sanctions for workers and unions involved in non-authorized strike actions.
- Discretionary determination or excessively long list of "essential services" in which the right to strike is prohibited or severely restricted.
- Absence of compensatory guarantees for categories of workers deprived of the right to strike.

It is worthwhile to mention that UGTT has alleged antiunion practices among private-sector employers, including firing union activists and using temporary workers to deter unionisation.²⁰

Ratified ILO Conventions

Tunisia has internationally ratified 63 Conventions and one Protocol; of these, 48 are in force, seven Conventions have been denounced, and three instruments abrogated, none have been ratified in the past 12 months.²¹ See more details in Appendix Table 23. The latest ratified Conventions were the Maritime Labour Convention (MLC) from April 2017 and the Seafarers' Identity Documents Convention, in May 2016.

First, the eight Fundamental Conventions are the most important conventions that cover four fundamental principles and rights at work. Tunisia has ratified all of them.

Second, ILO has designated four Governance Conventions that are important to build national institutions and capacities that serve to promote employment, i.e. these conventions encourage a well-regulated and well-functioning labour market. The country has ratified three out of four of these Governance Conventions, leaving out the Labour Inspection (Agriculture) Convention, 1969 (C129).

Thirdly, ILO has furthermore 178 Technical Conventions, out of which 83 conventions are "Up-To-Date" and actively promoted, i.e. an Up-To-Date Convention is one that is ready for ratification by the Member States and one that has been examined by the ILO Governing Body and deemed to be still relevant.²² Tunisia has to this date ratified 52 of the Technical Conventions out of which 14 are Up-To-Date.²³

The Committee of Experts on the Application of Conventions and Recommendations (CEACR) registered several directed requests and observations to the country's government based on non-binding guidance level. CEACR noted that despite the Government's was exploring the possibility of bringing specific provisions of the Labour Code into conformity with the Freedom of Association and Protection of the Right to Organise Convention (No. 87), it has not taken all the necessary steps to give it full effect. The Government was also requested by CEACR to take the necessary measures to amend the Labour Code, which provides that minors aged 16 years and over may belong to trade unions if there is no opposition from their parent or guardian. The

legislation should allow foreign workers access to the functions of trade union leadership, at least after a reasonable period of residence in the host country. CEACR is monitoring the evolution of the National Social Dialogue Council. Not to mention, CEACR noted that serious allegations previously received from the ITUC concerning intimidation and threats made through anonymous calls to the UGTT and its leaders, the government has an absence of a reply on this matter.²⁴

Labour policies

Apart from the labour laws, policies and strategies are likewise important aspects of regulation of the labour market. Tunisia's central policies are summarised below.

In December 2012, the government adopted the National Employment Strategy 2013–2017. It was not implemented, though.²⁵ A new National Employment Strategy was launched in 2017. It takes employment as a top priority since it is one of the central challenges of the country's development. This strategy is the result of the National Employment Dialogue held in 2016 and attended by the UGTT, the UTICA, members of the civil society and political parties. Other specific measures to support employment are envisaged in the National Development Plan 2016–2020 and the national strategy for entrepreneurship development adopted in 2018.

Active labour market policies (ALMPs) have been implemented over the decades. It includes Employability Improvement Cheque, Employment Support Cheque, Support to Small Business Entrepreneurs, Local Community Partnerships to Foster Employment, and Programme to Foster Employment.²⁶ These programmes are directing at reducing the gap between labour market needs and education on all levels. It includes by providing complementary training that enables jobseekers to either join the labour market with better knowledge and suitable skills or build their businesses and become self-employed. Studies argue that ALMPs appear to have a minimal impact on the labour markets in Tunisia, reflected by low insertion rates. It has been limited by the absence of an integrated approach with the demand side. Agencies argue that stand-alone supply interventions are unlikely to increase employment when firms are not creating more job opportunities. In Tunisia, ALMPs, including wage subsidies, have had low retention rates given that firms are not growing enough to employ additional workers.²⁷ Part of the challenges is that the supply of employment services is a monopoly of National Agency for Employment and Self-Employment (French acronym: ANETI). Nevertheless, the agency's

capacity to provide effective intermediate services is limited.²⁸

Trade Agreements

Tunisia is active in international trade and as an important part of the economy. Global trade agreements, in general, have been criticised for paying less attention to the interests of labour standards and core labour rights than regional trade agreements, and it is becoming increasingly explicit.²⁹ Developing countries have, in general, resisted the inclusion of labour standards in trade agreements for fear that advanced countries will abuse such provisions for protectionist purposes. On the other hand, developing countries have little reason to reject labour standards that address bargaining asymmetries in the workplace and fundamental human rights.

The country has signed bilateral trade agreements with approximately 81 countries to facilitate trade and to guarantee investments and trade in goods. The most significant is its Association Agreement in industrial products with the European Union (EU), which was signed in 1995 and coming into force in 1998. An Agricultural Protocol was not included.

As an expansion of the collaboration between Tunisia and the EU, negotiations for a Deep and Comprehensive Free Trade Area (DCFTA) were launched in October 2015. DCFTA aims to build on the current Association Agreement and targets to support on-going economic reforms in Tunisia and bringing the Tunisian legislation closer to that of the EU in trade-related areas. In 2020, negotiations are still in progress but have been challenged by economic, political, and social situations in the MENA region.

Studies argue that since tariffs on manufacturing products already were liberalised in the Association Agreement, the impact of the DCFTA mainly will be determined by changes in the sensitive agricultural sector, where imports are still subject to significant tariffs and quotas. Tunisia has some concerns in the liberalisation of Tunisia's trade in services, investment, and public procurement. Studies of expected economic impacts of DCFTA suggest negative GDP effects and minor employment effects in Tunisia in the case of full tariff liberalisation and extensive harmonisation of the regulatory frameworks.³⁰

On other regional levels, Tunisia signed the Agadir Agreement in 2004 in collaboration with Egypt, Jordan,

and Morocco. It allows free trade among the signatory countries. The country is also a member of the Arab Maghreb Union (AMU), which consists of Algeria, Libya, Mauritania, Morocco and Tunisia. AMU allows duty-free trade among members, but some barriers to trade remain. In March 2019, Tunisia's Parliament ratified the country's official accession to the Common Market for Eastern and Southern Africa (COMESA) – a joint free-trade area with twenty member states stretching from Libya to Eswatini). Tunisia is currently working on joining the Economic Community of West African States (ECOWAS). Part of the Greater Arab Free Trade, Tunisia became associated with them in 1998. It includes 16 other member states of the Arab League.

Tunisia benefits from the United States' Generalised System of Preferences (GSP). These are unilateral trade benefits from the U.S. government, allowing duty and quota-free access for some products. It supports to diversify exports and improve employment opportunities and economic development. Tunisia is the 13th largest GSP exporter to the U.S. with around US\$114 million. A country can be removed if it is violating or does not take steps to uphold the ILO Core Labour Standards.

SOCIAL PARTNERS

Labour organisations are central to promote the realisation of core labour rights and social justice for workers by protecting freedom of association and collective bargaining. These organisations represent the government, trade unions, and employers' organisations.

Government

The government generally enforces applicable labour laws and to a large degree respecting the right to strike in public enterprises and services. Since the informal economy is widespread in the country, many workers are not protected in the practice of the labour regulations, often due to lack of awareness or incentives (see more in the sub-section: Informal Economy). Generally, the framework for formulating policies on labour and employment issues and monitoring the implementation of labour law is divided into several institutions.

The Ministry of Social Affairs (French acronym: MAS) implements the national social policy aimed at achieving balanced social development, which includes to supporting social welfare by contributing to the values of work and self-reliance in the fields of employment. Among others, MAS prepares draft legislative texts and propose necessary reforms; develops programs ensuring

equal opportunities and resisting all forms of exclusion and social marginalisation, and supports the social dialogue such as the tripartite group that has operated in the creation of the National Council for Social Dialogue. In addition, the ministry is responsible for enforcing health and safety standards in the workplace as well as the competent authority with responsibility for labour issues and relations with the ILO.

The Ministry of Vocational and Employment (French acronym: MFPE) has broad responsibility for initial and continuing vocational training, employment, and immigration and foreign labour. Among others, it includes to undertake studies to support policies of employment, integration and reintegration into the labour market and the promotion of self-employment; to execute labour agreements with other countries; to elaborate legislative and regulatory provisions relating to the employment of foreign labour and to ensure their application; and to participate, with the structures concerned, in the preparation and monitoring of the execution of international cooperation programs and agreements designed to promote the development of employment and placement abroad. MFPE also ensures the establishment of partnership relations with professional organizations as well as with bodies and associations related to employment. Besides, the ministry oversees public institutions and organisations whose activities fall within its area of responsibility.³¹

The MFPE attempts to link programmes to interventions that promote job creation. It also recognises the need for partnerships with other ministries to reach out to and benefit disadvantaged segments such as poor youth and women in general and promote social cohesion.³²

MFPE has launched various employment programs with state and/or donor funding, which it implements through its Regional Employment offices and the National Agency for Employment and Independent Work (French acronym: ANETI) (see also the sub-section: Labour policies). The latter, ANETI, is a public non-administrative body. Its main responsibility is the implementation of the government's employment policies, especially for young people. It supports stimulating the job market at all levels through its network of employment offices. Although ANETI has a well-functioning management information system, human resources reasons are a bottleneck, e.g. there are insufficient advisers to take care of the public targets.

The National Observatory for Employment and Qualifications (French acronym: ONEQ) is another central institution as a component of the national statistics system

that supports decision making in the area of employment and skills. Its principal mission is to collect labour market statistics, analyse employment and skills data using relevant indicators and issue regular reports on labour market trends.

The National Employment Fund (French acronym: FNE) mainly aims to facilitate the integration of young people and jobseekers facing difficulties in the labour market regardless of age, education level or region. The FNE supports young people acquire better training and improve job access opportunities. The FNE also sponsors specific programmes aimed at supporting the economic development of Tunisia.

The National Institute of Statistics is Tunisia's statistics agency with head office in Tunis established in 1969.

Trade unions

The Labour Code provides workers with the right to organise, to form and join unions, and protects the right to bargain collectively. The right to strike extended to civil servants with some exceptions. However, the Code has some flaws that complicated the workers' rights in practice (see also National Labour Legislation section).

Around 1.2 million members were members in unionism in 2019. The trade union density of employees was estimated at 49%, which appears quite high in comparison to the neighbouring countries.³³ Around 56% of the members are women (Table 3). Trade union membership is very concentrated in the public sector. In contrast, the trade unionisation in the private sector was estimated at 15%.³⁴

Table 3: Status of trade unions in Tunisia, 2019

Number of central-level unions	4
Number of trade unions	N/a
Members of trade unions	1,220,000
Membership growth (2015-2019)	13 %
Trade union density (employment*)	38 %
Trade union density (employees)	49 %
Women member share of trade unions (UGTT)	35 %

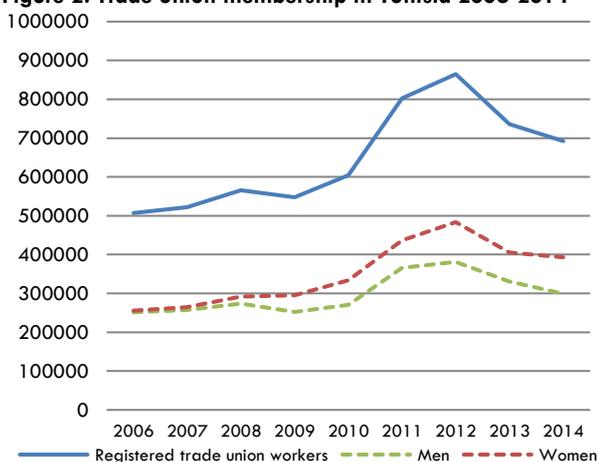
* Estimations of employees, own-account workers, and contributing family workers.

Source: UGTT; [Tunisia Human Rights Report](#); [Statistiques Tunisie](#) and own estimation on trade union density based on data from ILOSTAT.

Based on the most available updated official data, the trade union membership was on a fast rise at the beginning of the 2010s. It was mainly in the aftermath of the Tunisia Revolution in 2011. Several facts are

noteworthy to mention. First, since 2008, women trade union membership grew higher than men with a widening gender gap. Second, the total membership increased dramatically by 33% from 2010 to 2011. This upsurge peaked in 2012 by 865,000 members. The trend entered a declining phase afterwards to 2014 (Figure 2). Official data of membership since 2015 have been scarce. Based on secondary sources' estimations in membership, the trade union membership growth increased by 13% from 2015 to 2019. It has been a result of the emergence of new trade unions during the 2010s. It has furthermore signalled a change in the trade union movement's landscape. Generally, the increasing number of organized workers has benefitted for campaigns against subcontracting labours as well as advocating for the increase of standard employment.

Figure 2: Trade union membership in Tunisia 2006-2014



Source: [Statistiques Tunisie](#)

There are four central-level trade union organisations in Tunisia: *Union Générale Tunisienne du Travail* (UGTT), *Confédération Générale Tunisienne du Travail* (CGTT), *Union des travailleurs tunisiens* (UTT), and *Organisation tunisienne du travail* (OTT). UGTT is the largest organisation followed by OTT, UTT, and CGTT (Table 4). Below each of these, there are (sector) federations.

Table 4: Estimations of Membership of Central Trade Union Organisations in Tunisia, 2019

Trade Union Organisations	Total Members	Share
UGTT	750,000	61 %
CGTT	90,000	7 %
UTT	180,000 *	15 %
OTT	200,000 **	16 %

* Estimations from 2017. ** Estimations from 2015.
Source: DTDA research

The government hold organised collective social negotiations only with the UGTT. Representatives from CGTT, UTT and OTT have formed joint statements complaining that their labour organisations are ignored and excluded from tripartite negotiations.³⁵ In February 2019, the Administrative Court's verdict supported the unions. They now have the right to participate in social negotiations, in social dialogue at all levels based on proportional representation and not restrictive. In addition, they also have the right to be members of the National Council for Social Dialogue as well as their right to grants and secondments (see more in Social Dialogue sub-section).

The status of the four central trade union organisations is summarised below.

Tunisian General Labour Union (UGTT)³⁶

The UGTT was established in 1946. It participated in the fight for independence from France and has played a more central political role than almost any other trade union in the Arab world. UGTT is a central actor in the Tunisian society and has extended its activities out to not just its members working conditions, but also getting involved in the broader political agenda.

UGTT membership structure is divided into 65% in the public sector and 35% in the private sector: these figures represent 61% of workers in the public sector and around 15% of the private sector. Per the aggregate sector, UGTT membership is concentrated in the service sector (71%), 21% in industries and 8% in agriculture. The organisation is spread out in 24 regional entities, 19 sectoral organisations, and 20 trade unions.³⁷ The UGTT is affiliated with the International Trade Union Confederation (ITUC) and the International Confederation of Arab Trade Unions (ICATU).

Since the Tunisian Revolution in 2011, UGTT membership has increased significantly, and it has been drawn predominantly from the public sector. The number of organised workers in UGTT is between 700,000 to 750,000 in 2019.³⁸ A civil service reform strategy to curb the public financial deficit has been initiated and will challenge the trade union membership in the public sector (see also Working Conditions section).

After the political turmoil in 2011, the UGTT went through a process of internal reforming. A new Executive Board of UGTT officially took office in January 2017. Strengthening access for women and young organised workers to positions of trade union responsibility has been a challenge facing the renewal. Quotas for women

at all levels of the hierarchy and by putting in place an additional post at regional and central levels for better coverage of the private sector were introduced. It is noted that one woman was included in the board's management for the first time in 2017 since the country's independence. Soon after, two other women integrated the centre's governance structures, namely the bylaws and financial control committees, respectively. Currently, the women's committee of the UGTT has 24 branches throughout the country.

UGTT functioned during the Tunisian revolution as a meeting point and refuge for the protesters. The union is credited for playing a central role during the country's democratic transition, being the main driver for settling a major crisis between parties - leading to a new government.³⁹ Together with three other parties, UGTT received the Nobel Peace Prize. UGTT has demonstrated elements of both resistance and compliance, which arguably has made the organisation able to survive authoritarianism.⁴⁰

In recent years, UGTT has been campaigning to end subcontracting and instead organise standard employment to government workers in Tunisia (see Working Conditions section). The overall message from UGTT has been that subcontracting labour amounted to the exploitation of labour.⁴¹

UGTT initiated the national council in July 2015 to debate future policy in a changing political landscape. Some of the key issues were the upsurge of 'wildcat' strikes that ignore the usual procedure for strikes endorsed by the UGTT hierarchy. It has questioned if the organization's historical legitimacy has been weakened. Moreover, the transparency of UGTT's funding sources has been recommended to be revised.⁴²

In 2019, UGTT organised a general strike to increase wages of 670,000 public servants protesting against the government's refusal to raise salaries.⁴³ After a one-day general strike, the public servants won the salary increase resulting in a wage increase in 2018 and 2019 nearly the same as those employed in public-private enterprises.⁴⁴ The wage freeze was initiated by IMF, which has demanded the government to cut spending and balance the budget with a loan programme worth \$2.8 billion to address the country's economic crisis (see section Economic Performance).

In 2019, UGTT monitored the presidential and parliamentary elections.⁴⁵ Some politicians, tired of UGTT's exercise of power, argued that the union should

form a political party with the responsibility that comes with it.⁴⁶

Tunisian General Confederation of Labour (CGTT)

The CGTT was awaiting registration since 2006, and it was finally launched in 2011. The organisation experienced fast growth of members reached an estimated 30,000 in 2013 up to 90,000 in 2019, which equals an increase of 200% (Table 4). GCTT advocates trade union pluralism. The general secretary is former leaders of the UGTT.

In June 2015, the administrative court ruled to allow the CGTT to deduct earnings from paychecks for dues, a labour right that previously was granted only to UGTT. The decision could be interpreted as an affirmation of union pluralism in the country. Generally, the confederation has been marred by political rifts with the government during the 2010s in the aftermath of being deprived of participation in central tripartite structures and social dialogue institutions.

Tunisian Workers' Union (UTT)

The UTT was launched in 2011 and advocated trade union pluralism. At the beginning of 2013, the organisation had around 10,000 members. It snowballed, reaching 50,000 at the end of 2013. Currently, some media argue even up to 180,000 members.

Tunisian Labour Organisation (OTT)

In August 2013, the fourth central-level trade union organisation, OTT, was established. Part of the new organisation was UGTT-dissident group. OTT partially justified its establishment as a counterpoint to UGTT. It was criticized for not serving the country's interests and for lack of transparency. OTT was also claimed to affiliate to *Ennahda* (Islamist party) that aligns the Islamist political representative in the trade union movement. The organisation claimed around 200,000 members in 2015 and no updated data were available.⁴⁷ During the last two years, OTT was affected by internal conflicts that led eventually to overthrow of one of the co-founders and the former chairman Mr. Lasaad Labidi.

Employers' Organisations

Estimations from the International Labour Organization (ILO) suggest that 7% of the total employment in Tunisia covers employers in 2020, which is in line to Northern Africa at 7%.

The Global Competitiveness Index provides a view on a wide range of aspects, including labour market efficiency. The latter theme's indicators are elaborated upon surveys among employers in the country and other statistical data. Tunisia was measured at a low level, ranking 133 out of 141 countries (1 is the best) in 2019 (Table 5). Out of the 12 labour market efficiency indicators, the best scoring is in the labour tax rate (65). Worst rankings are in the ease of hiring foreign labour (141), cooperation in labour-employer relation (127) and Pay and productivity (127).

Table 5: Employers' view of the labour market efficiency in Tunisia, 2019

Indicator	Rank *
Total	133
Redundancy costs (weeks of salary)	99
Hiring and firing practices	126
Cooperation in labour-employer relations	127
Flexibility of wage determination	124
Active Labour policies	98
Worker's rights	65
Ease of hiring foreign labour	141
Internal labour mobility	91
Reliance on professional management	104
Pay and productivity	127
Ratio of wage and salaried female workers to male workers	118
Labour tax rate %	109

* Rank from 1 to 141 (1 is best ranking).

Source: [The Global Competitiveness report 2019- Pillar 8](#)

Union of Industry, Commerce and Artisans (UTICA)

The leading representative of employers' organisation in Tunisia is UTICA (French: *Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat (UTICA)*). Based on decision-making structures and supported by specialised commissions, UTICA supports, coordinates and mobilises its members in regional and professional structures. The organisation operates with sectorial representation, through federations and national trade union chambers, as well as geographical proximity via regional and local unions.

UTICA is structured in 17 federations, 24 regional unions, 216 local unions, 370 national union chambers and 1,700 regional union chambers.⁴⁸ According to UTICA, around 120,000 companies are members. In practice, the number might be lower since many companies do not pay membership fees, and affiliation varies during election cycles. Other suggest that UTICA has between 6,000-7,000 members, mainly large companies up to 30,000 companies.⁴⁹ The members account for about 70% to 80% of private-sector employees.

UTICA operates with a broad mandate of social affairs involved in economic development and trade relations. It also promotes vocational training, collective bargaining, services for members, national negotiations, and interest representation. The organisation operates with a strategy lobbying and an advocacy agenda along with the Vision 2020.⁵⁰

After the Arab Spring in 2011, UTICA was going through an internal reform process. Besides, the organisation argued that the emergence of labour union pluralism during the 2010s complicated negotiations of collective bargaining. Furthermore, UTICA claims that illegal vendors are destroying their members' businesses and promoted initiatives to stop these stalls. The government initiated in 2016 to launch crackdowns to the removal of illegal vendors. Stalls often return rapidly, though. Together with UGTT, UTICA received in 2015 the Nobel Peace Prize for its decisive contribution to the building of a pluralistic democracy in Tunisia.⁵¹

UTICA operates with Center for Young Directors that aims to the formation of young managers and innovation through the creation of a space for creativity and exchange of experiences as well as represent young corporate managers as a component of dialogue and negotiation and defend their interests in decision-making circles, among others. In addition, the Chamber of Women Entrepreneurs gathers women entrepreneurs and heads of institutions in all activities and sectors to gather energies and exchange experiences and break the isolation and ambition to contribute actively and effectively to the national economy.

A Memorandum of Understanding between UTICA and the Djibouti Chamber of Commerce was signed in October 2018 to promote bilateral cooperation further and create synergy between the companies.

Confederation of Tunisian Citizen Enterprises (CONNECT)

CONNECT (French: *Confédération des Entreprises Citoyennes de Tunisie (CONNECT)*) was launched in September 2011. The organisation is in the progress of building a federal and regional structure. It promotes itself as an entrepreneurial partner that supports constructive initiatives for social and economic development. CONNECT is active in the field of Corporate Social Responsibility (CSR).

CONNECT has participated in meetings with CGTT to support common demands for recognition and

participation in the national social dialogue institutions, alongside the traditional partners UTICA and UGTT.

In recent years, CONECT emphasized the need to improve the business environment in Tunisia. As mentioned, labour market efficiency is weak (revisit Table 5); while business regulations are on high-medium level (see Appendix Table 25). The organisation argued that insufficient measures are implemented to achieve economic growth targets, which makes local and international investors reluctant to initiate projects.

In November 2019, CONECT expressed their concerns of the fact that 40% of the state's budget 2020 is reserved to wages (see more in Working Conditions section). The organisation called on the government to promote a strategy over at least ten years, to encourage civil servants to leave the public administration voluntarily, while granting them their full rights and granting them significant financial and social benefits. Besides, CONECT recommended launching investment funds to help people who leave the administration to create private projects and own businesses. Not to mention, the confederation finds it necessary to invest more in education and changing the current education system working out curricula in line with the labour market and technological and digital developments.⁵²

SOCIAL DIALOGUE

The concept 'social dialogue' is any negotiation, consultation, or exchange of information between representatives of governments, employers, and workers on issues of common interest and related to social and economic policies.

This social dialogue is often in tripartite-oriented at the national level and evolving in bipartite at lower levels.⁵³ The Labour Code establishes eight tripartite bodies. These institutions' functions regulate and advice on a wide range of subjects such as labour policy, minimum wages, occupational safety and health and social dialogue:

- Council for Vocational Training.
- High Committee for Employment.
- Labour Committee.
- Occupational Safety and Health Committee.
- Regional or Central Commission for Control of Dismissals.
- Consultative Commission on Collective Bargaining Agreements.

- Central or Local Commission for Salaries.
- National Commission on Social Dialogue.

Social dialogue has close links with the political environment in Tunisia and has developed through legal reforms in the aftermath of the Tunisian Revolution in 2011. The UGTT and UTICA are the dominant social partners in social dialogue with the government, and they are influential in both national policy questions and on the labour market's general issues.

During the 2010s, social partners have even played a more active and independent role than during the old regime through the improved dialogue and consultation arrangements. This approach is still rather novel, and formal structures are not yet fully in place, with the result that dialogue often lacks consistency, continuity, follow-up, and compliance. Furthermore, as part of the upsurge of memberships in trade unions and employers' organisations, a centralised management structure is present that has created some frustrations. It is reflected in social tensions and the application of 'wildcat' strikes (see ahead).

The three main tripartite main stakeholders signed a Social Contract in January 2013. It was geared to improve the country's political turmoil. Although progress in the establishment of the National Council for Social Dialogue (NCSA) that created a significant improvement in letting peoples voice and accountability heard by the authorities, the mutual trust between the civil society and the state was fragile. After two years of negotiation, the law finally adopted NCSA's mandate and mode of operation in July 2017. Under this legislation, the general assembly of the council included an equal number of representatives from the government, the most representative trade unions, and employers' organizations in both the agricultural and non-agricultural sectors. It was headway towards determining criteria for trade union representativeness, but more inclusive tripartite consultations remained a pending issue.⁵⁴ The long-awaited tripartite National Council for Social Dialogue was inaugurated in November 2018. The council has held meetings since its creation and focused its efforts on establishing its bylaws, and then later meetings held in 2019 included discussions on the formation of an unemployment fund and national platform for social protection.

Another aspect of social dialogue is mirrored in the application of collective agreements. A framework for collective agreements is governing the non-agricultural sector and all the 54 sectoral collective agreements. The

Committee of Experts on the Application of Conventions and Recommendations (CEACR) from ILO has noted that this system always has considered interventions by the authorities. It has the effect of cancelling or modifying the content of collective agreements freely concluded by the social partners to be contrary to the principle of free and voluntary negotiation.

Social dialogue at the company level has been through consultation and exchange of information/views. It is within the framework of the company Advisory Committee or through collective bargaining between the employer and the company trade union. Company supervision has been established within the inspectorate of labour and reconciliation, in all Tunisian regions (see more in Working Conditions section). An absent legal framework to regulate social dialogue at this level kept it underdeveloped. Survey data at the company level detected some lack of awareness of the procedures of the employees' representative's election and privation of human resources officials in some companies. A company with at least 40 permanent employees should establish an advisory committee or employ between 20 and 30 permanent employees to set up the employees' representation.⁵⁵ It kept many not meeting these requirements; 96% of all enterprises are micro- (77%, 1-5 employees) or small-enterprises (19%, 6-49) (see more in Workforce section).⁵⁶ However, Act No. 2017-54 amended the provisions of the Labour Code concerning the representation of personnel in enterprises, which includes platforms to promote alignment of company policies with national development objectives. This legislation aims that the social dialogue takes new steps on this level. For example, a staff delegate is elected in enterprises employing 20 or fewer permanent workers at a rate of 20 or less. Due to the importance given to occupational health and safety issues and their technical nature, a technical sub-committee should be set up within the company advisory committee known as the Health and Safety Committee.

In the private sector, the UGTT has a national framework agreement with the UTICA. This framework agreement covers 54 sub-sectors. It was in 2008 when the negotiation for the private sector was done at the national and sub-sector level. However, after the revolution in 2011, there were only five national framework agreements where the benefits were mostly financial and covering all the workers in the private sector.

One national framework agreement (last renewed for the period 2018-2019) was set in the private sector. This

agreement was concluded first in 2011, then renewed in 2012, 2014-2015, 2016-2017 and lastly 2018-2019. Usually, this agreement entails 51 subsector agreements out of 54 subsectors in the private sector (3 subsectors were excluded due to problems), but this procedure was not enforced since 2008. The UGTT aimed at bringing these 51 subsector CBAs back to life in 2020 as part of the 2020 negotiations for the private sector framework agreement (Table 6).

Table 6: Status of collective agreements in Tunisia, 2019

Agreements / coverage	Value
National framework agreements	1
Sub-sector CBAs (projected)	51
Collective bargaining coverage among employees	56 % *

* Data from 2014.

Source: UGTT and ILO

Wages and working conditions are part of the collective bargaining in the framework of industry standards. For example, wages agreed in CBAs are usually higher than the minimum guaranteed wage. Many workers are not aware of how their payments are calculated, or the wages are paid later than legally specified. Not to mention, collective labour agreements may also apply different taxing on income to each category, e.g. wholesalers are taxed on their actual income. In contrast, retailers may be subject to a flat rate.

Flaws in legislation challenge the right of collective bargaining to international standards (see more in National Labour Legislation section). The scope of compliance is different from one company to another. A study argued that despite the Labour Code and the collective bargaining framework in employment relations in the garment industry, more flexible employment is applied to avoid the regulations, e.g. employers often hire workers through short-term contracts.⁵⁷ It is worthwhile to mention that the informal economy is widespread and the private sector dominated by micro- and small-enterprises that easy con loophole the labour and business regulations such as collective agreements.

Dispute resolution and judicial system

Tunisia has followed the UNCITRAL Model Law on International Commercial Arbitration. It sets a pattern that lawmakers in national governments can adopt as part of their domestic legislation on arbitration.

In Tunisia, conciliation is mandatory before the District Courts and Labour Tribunals, i.e. the official record of conciliation is enforceable against the parties. A Consultative Commission first handles collective labour disputes. If that fails, it is attempted to be conciliated.

Depending on the geographically extend of the dispute, a regional or central tripartite Arbitration Board will then decide on the case if the disputes are agreed to be arbitrated. During 2016 representatives from the Ministry of Social Affairs, UGTT and UTICA formed tripartite regional commissions to arbitrate disputes. Conciliation panels with equal labour and management representation settle many labour disputes. Also, tripartite regional commissions arbitrate disputes and are considered effective.⁵⁸

In the absence of agreement, every party involved retains a right of appeal to the court of the relevant jurisdiction. On appeal, the court may definitively fix the payable redundancy compensation, concerning the laws in force. The intervention of the Discipline Council does not preclude the worker's right of appeal against dismissal to the courts of the relevant jurisdiction. The decision of the Council does not bound the courts. The court with jurisdiction over individual labour disputes is a specialised labour tribunal (*Conseil de prud'hommes*) of tripartite composition. Appeals from its decisions are to courts of general jurisdiction.⁵⁹ Claims regarding abusive dismissal before the court competent for labour issues have the time limit of one year.

A recent study from 2018 identified a series of administrative and legal obstacles concerning trade unions and employers' organisations' role in the judicial system, which, among others, resulted in lack of their presence in the labour court sessions. Several proposals were presented to improve the workers-employers organisations' performance in the legal system. Furthermore, a reform of the resolution no. 814 of 1977 concerning the appointment of labour court members to facilitate the procedures taken in the relevant processes was proposed.⁶⁰

During the 2010s, strike actions were widespread in Tunisia, and the number of working days lost due to strikes has increased dramatically. This situation was mainly triggered by the high unemployment rate in urban areas and weak economic performance. The evolution of unionism was driven by the phenomena of increasing social demands that prompted, in many occasions, to launching strike activities. Many unions rarely sought advance approval to strike, which is part of excluding several federations in tripartite institutions. It was reflected in wildcat strikes (i.e. those not authorized by union leadership) in the phenomena of sit-ins at workplaces.

During 2018, protests erupted in main towns and cities across the country over issues related to the cost of living and taxes. On the other hand, Ministry of Social Affairs recorded that the number of working days lost in the public sector remains high even though it has experienced a decline of 19% in the period from 2017 to 2018. In fact, these strikes caused 116,882 lost workdays in 2018 compared to 144,546 days lost in 2017. In terms of the number of working days lost in the public sector, it experienced some stability, i.e. 248 strikes in 2017 against 247 in 2018. Nevertheless, the number of institutions and companies affected by the strike has increased from 171 in 2017 to 179 companies in 2018.

The aftermath of waging mass actions for months, which culminated in a one-day general strike of close to 700,000 public sector workers in January 2019 overpay freeze in a stand-off with a government. All flights in and out of the country's main airport were cancelled, and schools nationwide were closed. Ports, public transport, hospitals, and other public services were also disrupted. The government refused to increase wages to follow the target of wage freezes mandated by the Extended Fund Facility from the International Monetary Fund (IMF). Nevertheless, since a second general strike was getting ready to be launched on February 21-22, 2019, the government reversed its opinion: workers directly employed by the government got nearly the same wage increase in 2018 and 2019 as those employed in public-private enterprises (see also Working Conditions section). This stance suggests that the dispute resolution system is facing a problematic bearing.

Other bi/tripartite organs

- Board of the Tunisian National Social Security Fund.
- Board of the National Health Insurance Fund.
- Board of the National Pension and Social Providence Fund.
- Supreme Council for Education and Training.
- Supreme Council for Occupational Safety and Health.

TRADE UNION RIGHTS VIOLATIONS

Tunisian workers experience systematic violations of rights. Since 2015, the ITUC's Global Rights Index ranking Tunisia 4 out of 5 (5+ by default if the rule of law has completely broken down). The government and/or companies are engaged in serious efforts to crush the collective voice of workers putting fundamental rights

under threat.⁶¹ In recent years, the unions in Tunisia have experienced several threats and physical attacks.⁶²

ITUC did not register cases on the systematic violations of rights' in recent years.⁶³ Other agencies registered that the UGTT alleged anti-union practices among private-sector employers, including firing of union activists and using temporary workers to deter unionisation. In certain industries, such as textiles, hotels, and construction, temporary workers continued to account for a significant majority of the workforce. UTICA, along with the government, maintained an exclusive relationship with the UGTT in reaching collective bargaining agreements. The government held organised collective social negotiations only with the UGTT. Representatives from CGTT and the Union of Tunisian Workers complained their labour organisations were ignored and excluded from tripartite negotiations.⁶⁴

Tunisia has no active Freedom of Association cases in the framework of ILO's Complaints Procedure (Table 7). There are three follow-up cases, all raised by trade unions. First, the complainant organisation denounces obstacles to the free exercise of the right to organise in enterprises, its exclusion from national social dialogue, and the failure of the Government to establish the social dialogue bodies provided for in the Labour Code. Second, the complainant organisation denounces anti-union acts, which the authorities have committed against it, thereby preventing trade union pluralism in the country. Third, the complainant organisation denounces acts of interference in its internal affairs, the withholding of the dues paid by its members and its exclusion from tripartite consultations held to draw up a national social contract. Furthermore, it denounces acts of anti-union discrimination carried out against its members by the airline Tunisair.

Table 7: Freedom of Association cases in Tunisia, 2019

ILO Complaints Procedure	Number of cases
Active	0
Follow-up	3
Closed	5

Source: [ILO, NORMLEX, Tunisia](#)

WORKING CONDITIONS

Several minimum wages are regulated in Tunisia. In May 2019, the government approved a nominal rise in the minimum monthly wage for industrial and agricultural workers of 6.5% to TND 403 (US\$137). General salaries on median average were registered TND 5,283

(US\$1,802) (see Table 8). A 6.5% rise in pensions for 700,000 retirees in the private sector was also approved. However, in real terms – nominal wage hike reduced by inflation in consumer prices in the period from 2015 to 2019 – was estimated at 1.0%. The meagre economic per capita growth could further decrease the real minimum wage in the merging.

Table 8: Status of wages per month in Tunisia, 2019

	Current Dinar	Current US\$
Median salary	5,283	1,802
Minimum wage for agricultural-sector workers	403	137
Minimum wage (non-agricultural) in 40 Hours System	416	142
Minimum wage (non-agricultural) in 48 Hours System	395	135
Average yearly <i>nominal</i> minimum wage growth (2015-2019)	5.9 %	
Average yearly <i>real</i> minimum wage growth (2015-2019) *	1.0 %	

* Average minimum wage deducted by inflation in consumer prices.

Source: [WageIndicator](#) and [SalaryExplorer](#), and own calculations on real minimum wage growth.

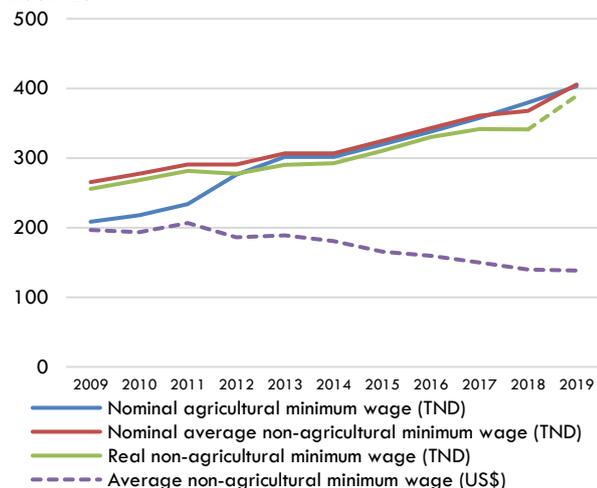
The government is pushing through austerity programmes to stabilise the economy, which includes freezing public-sector wages. The bill doubled to about from TND 7.6 billion in 2010 to TND 16 billion (US\$5.5 billion) in 2018. They aim to reduce them from about 16% of GDP now to 13% in 2020 (see more in Economic Performance section).

Research has demonstrated a difference in earnings between men and women in the private sector, particularly as salaries increase.⁶⁵ The government does not adequately enforce the minimum wage law, particularly in non-unionised sectors of the economy. In addition, the prohibition against excessive compulsory overtime is not always enforced.⁶⁶ Another aspect is that informality is widespread in the country. It maintains many workers in lack of awareness or incentives to comply with the labour regulations and weak coverage of labour inspections.

The trend of the minimum wages has experienced some changes. First, the minimum wage in agriculture was significantly lower than the average minimum wage in non-agriculture at the beginning of the 2010s. The Ministry of Social Affairs, the UGTT, and the Tunisian Union of Agriculture and Fishing reached an agreement to improve labour conditions and salaries in agricultural work to match those in the industrial sector. The deal was geared to protect rural women against dangerous employment conditions, sets safety standards for the handling of

hazardous materials, and gives tax incentives for agricultural employers to provide training for workers. Currently, both agriculture and non-agricultural minimum wages follow the same value. Second, the real minimum wage has challenged the workers' incomes purchasing power, especially of the vulnerable in society. Third, the impact of decreasing exchange reserves has reduced the value of wages in dinar to US\$ (see Figure 3).

Figure 3: Minimum wage trend in Tunisia, Dinar and US\$, 2009-2019



Note: Average non-agricultural minimum wage is an average of 40 Hours System and 48 Hours System.

Source: CEIC, WageIndicator.org and own calculations on average and real non-agricultural minimum wage as well as converted in current US\$.

The Ministry of Social Affairs is responsible for enforcing health and safety standards in workplaces. Legislation covers all workers, including those in the informal economy, by the same occupational safety and health protections. Enforcement of these measures is often inadequate, in any case.

The number of labour inspectors peaked in 2014 of around 500 inspectors but fell to 347 in 2016.⁶⁷ It suggested around one inspector per 7,134 employees (or 9,889 total employment). The ILO recommended one inspector per 10,000 workers in industrial market economies and one per 20,000 workers in transition economies.⁶⁸

Labour regulations do not provide for any special recruitment rules or impose any method. The provisions of fair competition limit freedom of recruitment. Non-competitive clauses can be inserted into employment contracts if they are limited in time and space.

The labour market applies eased hiring regulations in Tunisia. Using fixed-term contracts has become a standard mechanism to hire workers. To keep the staff for more than four years, firms need to enter an open-

ended contract. The former has promoted unnecessary labour turnover. The latter could instead cause firing rigidity.⁶⁹ These contractual controversies have affected job quality negatively. Large-scale usage of more flexible temporary contracts has triggered more informality, lower salaries, and little or no social security, and job insecurity. Also, temporary contract labourers complained not accorded to the same protections as permanent employees.

Banning subcontracting agencies and subcontracted workers in the public sector in 2013 produced some successes: around 60,000 workers were able to move into standard employment. Many of the subcontracted workers were women, and UGTT's National Women Committee played an important role in the organisation that makes strides to equalise pay. Similarly, campaigns have led to a drop in temporary contract labourers in the private sector, but it has not benefited fully from modifications. Moreover, subcontracting still appears to be allowed in practice.⁷⁰

Subcontracting labour has meant ending standard employment for approximately 60,000 workers, pushing them into the informal economy (see Informal Economy section). After a UGTT campaign, most of these workers have returned to standard employment. The success of ending subcontracting in the public sector has made the practice deeply unpopular. Many employers have instead chosen to initiate direct short-term contracts to replace subcontracting agencies.⁷¹ The difference between subcontracting agencies and working directly for an employer under a short-term contract is often indistinguishable.

Special government regulations control employment in hazardous occupations, such as mining, petroleum engineering and construction. The legislation outlines that all workers, including those in the informal economy, have the same occupational safety and health (OSH) protections. However, UGTT representatives argue that these health and safety standards not adequately were enforced in the formal sector. Not to mention, widespread informality among workers is also shadowing the coverage of OSH. Labour regulation sets a maximum standard 48-hour workweek for manual work in the industrial and agricultural sectors and one 24-hour rest period per week. For administrative jobs in the private- and public-sectors, the workweek is 40 hours, with 125% premium pay for overtime. The law prohibits excessive compulsory overtime. Depending on years of service, employees are statutorily awarded 18 to 23 days of paid vacation annually. Although there is no standard practice for reporting labour

code violations, workers have the right to report violations to regional labour inspectors. Working conditions and standards are generally better in export-oriented firms, which were mostly foreign-owned, than in those firms producing exclusively for the domestic market.⁷² See more in Table 9.

Table 9: Status of Working Conditions in Tunisia

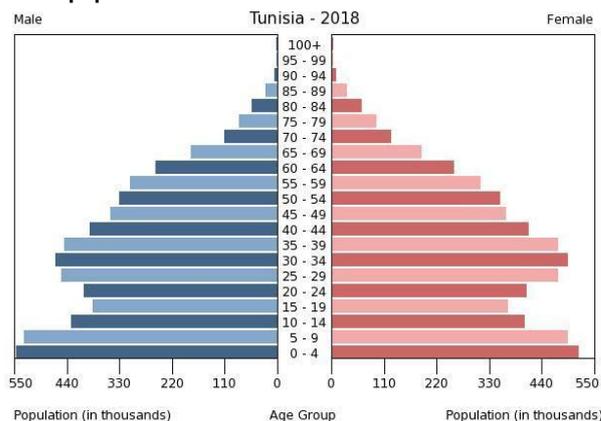
Fixed-term contracts prohibited for permanent tasks	No
Maximum length of a single fixed-term contract (months)	48
Standard workday	8.0
Premium for night work (% of hourly pay)	0.0
Premium for work overtime work (% of hourly pay)	100 %
Paid annual leave (average for working days with 1, 5 and 10 years of tenure, in working days)	19 days
Is there paid leave of at least 14 weeks available to women?	No
Does the government pay 100% of maternity leave benefits, or parental leave benefits?	No
Is there paid paternity leave?	No
Unemployment protection after one year of employment	No

Source: [World Bank, Doing Business, Tunisia: Labor Market Regulation](#)

WORKFORCE

Tunisia is the smallest North African country in size, with a population of 11.5 million people in 2018. The population growth had slowly declined from 2.2% in 1990 to around 1.0% in 2018. The fertility rate also dropped from six children per woman in 1975 to 3.5 children per woman in 1990 and 2.2 in 2016. It was an aftermath of a national family planning programme from the 1960s ahead to reduce fertility to promote socioeconomic progress. Figure 4 below visualises the population pyramid per 2018. The birth rate especially fell in the 1980s and 1990s, and a dropping mortality rate. It is caused by the resurgence of conservatism and religious fundamentalism, and the consequent emphasis on women's childbearing roles. There was an increase in the birth rate in the aftermath of the 2011 uprisings. This situation is putting pressure on the upcoming years' public finances on health, education and social protection services expenditure in the country.

Figure 4: Population pyramid based on the Age-Sex structure of the population in Tunisia



Source: [CIA, The World Factbook, Tunisia](#)

In 2011, street protests led by the poor and disenfranchised in Tunisia became the spark of the Arab Spring for the whole MENA region.⁷³ The catalyst was the death of a 26-years-old street vendor, who set himself on fire as a response to harassment by a municipal official. The protests evolved, and the president stepped down, after 23 years in power.

Around 3.5 million Tunisians are in employment with a projected ratio of employment-to-population at 39% in 2020. Men dominate the labour market; a 41-percentage points gap between men and women. Overall, the country's ratio employment-to-population is basically in line with the Northern Africa averages, except Tunisian youth women (15-24 years old) have 3.8 percentages points higher ratio than the region's average.

A central challenge for the Tunisian labour market is that it is not able to create enough jobs – especially skilled jobs for a growing number of university graduates (see Education section). The growing graduate unemployment over the past decade reflects a structural mismatch between an increasingly skilled labour force and an economy that has remained stuck in low productive activities.⁷⁴ While there is a surplus of technicians and professionals, there is a shortage of unskilled and semi-skilled labour in Tunisia. Available jobs have been of low quality; both in terms of value-added and in terms of job security (see Social Protection section). Instead, work activities are increasingly in the informal economy (see Informal Economy sub-section).

Main issues of the relatively low employment-to-population ratios reflect that many, especially women, are economically inactive, and for the youth, many are in education. See more details in Table 10.

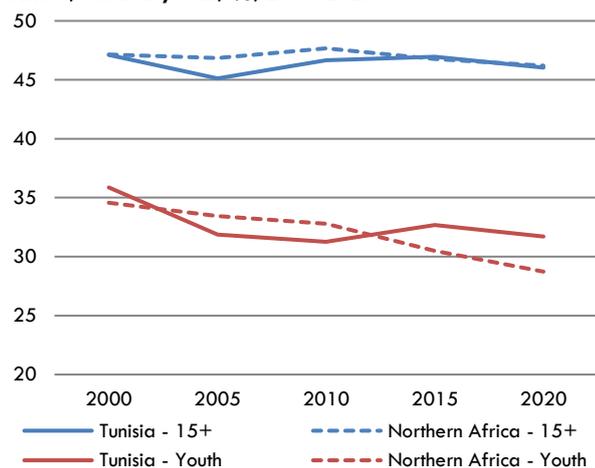
Table 10: Employment-to-population ratio in Tunisia and Northern Africa, Total and by age and sex distribution, 2020

Sex	Age	Tunisia	Northern Africa
Total	Total 15+	39 %	41 %
	Youth 15-24	21 %	20 %
Men	Total 15+	60 %	65 %
	Youth 15-24	28 %	31 %
Women	Total 15+	19 %	17 %
	Youth 15-24	13 %	9.2 %

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Based on estimations, the labour force participation rate in Tunisia has been in a minor decrease on the margin during the last decade, reaching 46% in 2020, staying in line with the regional average. Among the young population, this rate dropped more significantly, but youth Tunisians were not as stark as the region (see Figure 5).

Figure 5: Labour force participation rate, Tunisia & Northern Africa, Total & youth, %, 2000-2020

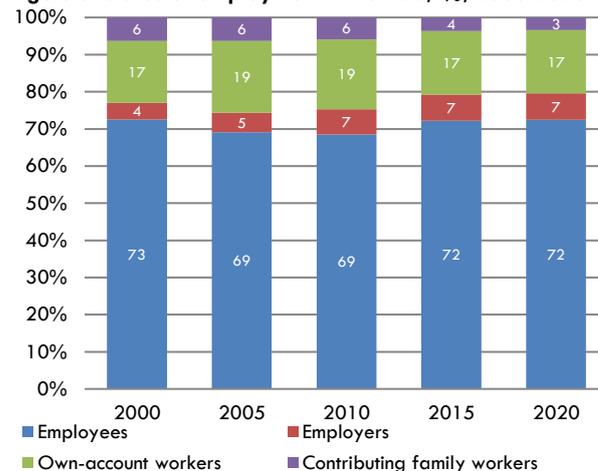


Note: Estimations based on Upper-middle income level.

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Figure 6 shows that the status of employment has only changed on the margin during the last two decades. Employees remain as the central segment of the total employment representing 72% in 2020 of the full employment, which is significantly higher than the Northern Africa average at 64%, and stood on a flat growth during the 2010s. Own-account workers are the second largest segment of 17% and contributing family workers of 3%. Together these two latter segments are characterized as 'vulnerable employment': workers more likely to receive inadequate earnings, low productivity and challenging conditions of work that undermine workers' fundamental rights.

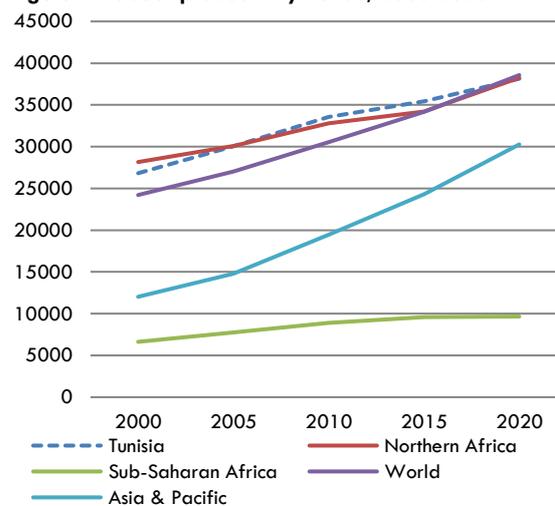
Figure 6: Status of employment in Tunisia, %, 2000-2020



Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Another central aspect of the workforce is its labour productivity. Data reveal that labour productivity has been on a steady increase during the last two decades and in line with Northern Africa and World averages. It stays much higher than the continent's other region (sub-Saharan Africa) average rate as well as Asia and the Pacific region (see Figure 7). The rise in the labour productivity in Tunisia has been favourable demographics promoting an increase in labour utilisation as well as improvements in education, which triggered the labour productivity. However, it has become increasingly challenged to introduce a young and growing population in the workforce. As demonstrated in the Education section, the education system struggles to keep up with the skills demanded by employers, and labour contribution to growth has declined.⁷⁵

Figure 7: Labour productivity trends, 2000-2020



Note: Labour productivity is defined as output per worker (i.e. GDP constant 2011 international US\$ in Purchasing Power Parity (PPP)).

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Most Tunisian companies are micro-, small- and medium-enterprises (MSMEs). They account for around 40% of GDP and 56% of employment. Data show that most firms are one-person firms, i.e. self-employed entrepreneurs, accounting for almost 90% of all firms. Even excluding these micro-enterprises, the most dominant category of firms stays among small firms, with 77% of all firms employing between one and five people. Generally, the MSME segment registers for almost 98% of all firms. Only 2.2% of firms have 100 employees.⁷⁶ During the 2010s, the economic and political instability harmed the MSMEs; among others, the weak GDP per capita growth in recent years reduced MSMEs' opportunities to sell their goods along with payment delays. MSMEs are furthermore negatively affected by restrictions in domestic economic policy. For example, they are often not receiving fiscal and financial incentives associated with the 'offshore' export-oriented sector targeting foreign firms and the attraction of Foreign Direct Investments (FDI). In contrast, a restrictive local 'onshore' economy characterised by pervasive barriers to entry and limited competition.⁷⁷

Unemployment

Unemployment has been high and persistent for decades in Tunisia – and particularly among young people, women, and the more educated population. The presence of widespread informality and educational mismatch furthermore push the Tunisian youth socially discontent, at times violently expressed.⁷⁸

According to the National Institute of Statistics, the unemployment rate was at 15% in 2019 with a wide gender gap. The youth unemployment rate was situated at 34% with no gender gap in the same year.⁷⁹ The share of unemployed people who are younger than 35 years old is 85%. Other projections of the unemployment rates show it is higher in Tunisia in comparison to Northern Africa average, except concerning the women's youth unemployment rate that is 8 percentage points lower than the region (see Table 11 below and more in Gender and Youth sub-sections).

Table 11: Projections of unemployment rate in Tunisia and Northern Africa, %, 2020

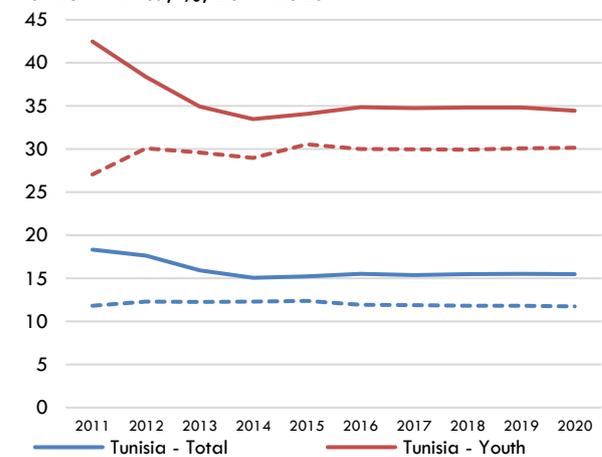
		Tunisia	Northern Africa
Unemployment	Total	15 %	12 %
	Men	13 %	9.0 %
	Women	22 %	21 %
	Total	34 %	30 %

Youth Unemployment (15-24 years)	Men	34 %	25 %
	Women	35 %	43 %

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Figure 8 visualises how the unemployment rate was on a declining rate at the beginning of 2010s. It was largely by many new jobs to the public sector in the aftermath of the Arab Spring launched in 2011. The relatively high rates stayed on flat growth since 2014, though. Analyses reveal that the high unemployment rate in Tunisia is interconnected to different aspects. First, labour supply pressures remain high, i.e. more people are willing to work or looking for a job than public and private employers are ready to hire. Even though the rate of population growth declined sharply during the 1990s, the labour force participation rate has remained steady. The rate has been driven by a shift in the composition of the workforce (see Figure 9 ahead), the supply of educated workers has increased significantly, and the overall demand for skilled labour. Second, there are weaknesses in the demand for skilled labour and the mismatch between the skills needed and those produced by the country's education and training system. Third, the institutions governing the labour market are inefficient and challenged by rigid regulations.⁸⁰

Figure 8: Estimations of unemployment trend in Tunisia and Northern Africa, %, 2011-2020



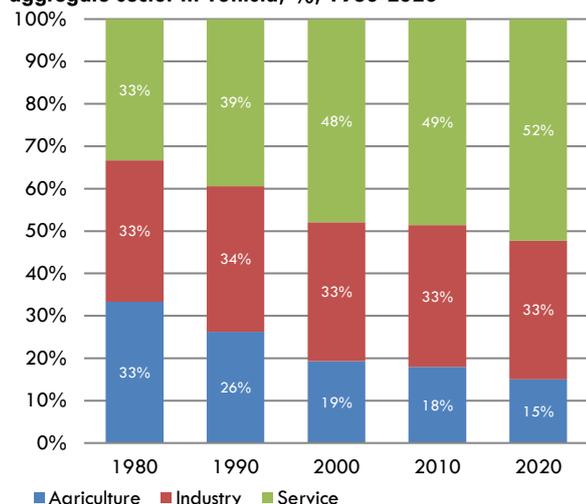
Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Combined, the rate of unemployment and potential labour force form the labour underutilisation, which refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population – has been on the rise from 22% in 2005 to projected 24% in 2020. This shift is mainly among women.

Sectoral Employment

Employment in Tunisia has gone through structural changes during the last four decades. The agricultural sector dropped from 33% in 1980 to 15% in 2020. Instead, the service sector increased significantly from 33% to 52%. The industry sector stayed on a flat growth at 33% (Figure 9).

Figure 9: Estimations and projections of employment by aggregate sector in Tunisia, %, 1980-2020



Source: ILO, Key Indicators of the Labour Market (KILM)

According to the latest labour force survey from Tunisia, the total employment consisted of 3.4 million workers in 2014. Based on estimations and projections, the sectors' share of employment and their evolution are presented in Table 12 below. Some of the main observations are as follows: first, the largest sector is public administration, education, and health (20%) followed by manufacturing (18%) and Trade, restaurants & hotels (17%). Second, women contribute 24% of total employment and are underrepresented in all sectors. The manufacturing sector has the highest women share of 42%, followed by public administration, education, and health at 38%. Third, shifts in the employment structures is mainly a drop in the agricultural sector and manufacturing industry, falling by 4.3 and 1.6 percentage points, respectively, during the last two decades. Instead, trade and restaurants/hotels sector, transport, storage and communication sector, and finance, real estate & business services sector have increased.

Table 12: Estimations and projection in employment distribution in Tunisia, 2020

Sector	Employment share	Women share per sector	Change per sector, percentage point, 2000-2020
Agriculture	15 %	19 %	-4.3 p.p.
Mining & quarrying	0.6 %	12 %	0.1 p.p.

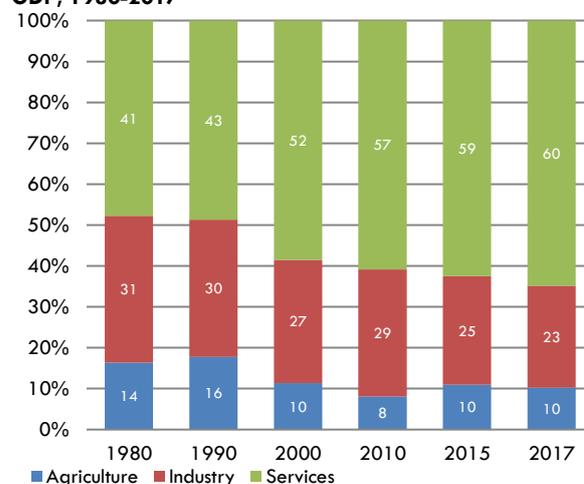
Manufacturing	18 %	42 %	-1.6 p.p.
Electricity, gas & water	0.6 %	10 %	0.0 p.p.
Construction	13 %	1.1 %	1.4 p.p.
Trade, restaurants & hotels	17 %	19 %	1.9 p.p.
Transport, storage & communication	8.6 %	7.5 %	1.5 p.p.
Finance, real estate & business services	3.9 %	27 %	1.6 p.p.
Public administration, education and health	20 %	38 %	-0.5 p.p.
Not classifiable by economic activity	3.7 %	37 %	-0.1 p.p.
Total	100 %	24 %	N/a

* Not classifiable by economic activity

Source: ILO, Key Indicators of the Labour Market (KILM)

Just as the aggregate employment structure has changed, so has the sectors' contribution to the Gross Domestic Product (GDP) altered. The service sector has been slowly increasing since the 2000s peaking at 60% of GDP in 2017. The agricultural sector's contribution to GDP is also growing on the margin due to higher productivity, while the industry sector's share is declining (see Figure 10).

Figure 10: Aggregate sectors' value-added in Tunisia, % of GDP, 1980-2017



Source: World Bank, World Development Indicators

Table 13 provides disaggregated data on GDP share per sector and per workers and gives a glimpse of the changes in the economy and labour market. Central characteristics are as following: first, the GDP's value has declined by 7.7% from 2015 to 2018 (see more in Economic Performance section). Second, the agricultural sector has a relatively high GDP share per workers (US\$7,682) and the GDP's value-added growth increased by 6.0% from 2008 to 2017. Third, the mining and quarrying sector's GDP value plummeted by 65% but stayed with a very high GDP share per worker

(US\$62,881) because of substantial capital-intensive operations. Forth, the public administration, education and health sector's GDP increased by 24% in the same period and has the highest GDP share of 22% in 2017.

Table 13: GDP share by sector and GDP per worker in Tunisia, 2008-2017

Sector	GDP share by sector, %, 2017	GDP share by sector per worker, US\$, per year, 2017	Change in GDP per sector, %, 2008-2017
Agriculture	10 %	7,682	6.0 %
Mining & quarrying	3.3 %	62,881	-65 %
Manufacturing	16 %	10,186	-25 %
Electricity, gas & water	1.5 %	27,941	-4.6 %
Construction	4.4 %	3,882	-11 %
Trade, restaurants & hotels	15 %	10,417	-5.1 %
Transport, storage & communication	12 %	15,519	-22 %
Finance, real estate & business services	16 %	50,420	-3.1 %
Public admin., education / health	22 %	12,626	24 %
Other services	0.5 %	1,562	-11 %
Total	100 %	N/a	-11 %

Source: own calculations based on data from African Development Bank, World Bank and ILO.

Initiated in the 1970s, Tunisia promoted an economic model geared toward exports and industrialisation that drove structural changes in the employment and sectorial GDP. Manufacturing was central to the country's GDP growth over the last 40 years. Many subsectors have thrived such as textiles, agri-business, pharmaceuticals, and mechanical, electrical and electronic industries. The European markets have been a key source of generating jobs in Tunisia. However, the manufacturing industry has experienced a slowdown in production during the 2010s: it fell by 25% from 2008 to 2017 (Table 13 above). This downturn is an impact of broader instability, more frequent labour disputes, a slowdown of capital spending and heightened international competition. It is a concern for the government, which has put in place several reforms to improve Tunisia's investment climate and encourage operators to move up the value chain.⁸¹ This situation is challenging the country's goal of reaching the Sustainable Development Goals target on reaching significantly raise in industry's share of employment and GDP (see more in SDG table, 9.2.2. in page iv).

Migration

Migration is a central issue on the labour market in Tunisia, which can be presented in three aspects: i) internal and rural-urban migration, ii) national in- and out-migration (emigration and immigration) in net migration and iii) refugees.

The internal migration in the country from low-earnings regions to higher-earnings regions are not very common; it is estimated that 2% of workers in the south-west region and 5% from the southeast region move to Grand Tunis each year.⁸² It is related to the fact that the flow in employment in the agricultural sector has been on a declining trend during the last two decades (revisit Figure 9). It is reflected in urban migration, which contributed to the rising urbanisation rate from 66% in 2007 to around 70% in 2018. It is mostly driven by youth migration from deprived rural areas moving to the ever-growing poor suburbs of urban Tunisia. This change has developed a higher pressure on demand for formal jobs in the industry and service sectors as well as access to higher levels of education. The labour market faces a pressing shortage of agricultural workers that have come to rely on around 60,000 migrants from sub-Saharan Africa who in general work for lower pay in demanding, seasonal jobs, saving money for their precarious journey to Europe.⁸³ Generally, youth migration further reinforces existing regional disparities and urban-rural divisions.

Around 11% of Tunisia's population (1.2 million Tunisian) are living abroad, up from 8% (794,000) of the population in 2002. This out-migration flow has been driven by labour migration to Western Europe, especially to France. Currently, around 83% of Tunisian migrants live in Europe. From the mid-1970s onwards, Libya also emerged as a destination for migrant workers, while family migration became the main entry pathway to traditional European destinations.⁸⁴ The Tunisian Revolution in 2011 triggered a high out-migration flow. In 2016, no less than 55% of the 1,168 young Tunisian interviewed wanted to emigrate, while 31% declared they were ready to do so irregularly.⁸⁵

There was a shift in the out-migration flow during the last three decades. In the 1990s, Tunisian emigrants were mostly low- or semi-skilled workers or family members. In the 2000s and 2010s, high unemployment was increased among university graduates, which triggered an expansion of migration opportunities for high-skilled workers in Europe and North America.⁸⁶ The country recorded an upsurge in in-migration (i.e. immigration) since the Libyan crisis started in early 2011, after which nearly 350,000 fled Libya and crossing the border to

Tunisia in a few months. It furthermore prompted an in-migration of close to 100,000 returning Tunisians.

Tunisia has also become a transit country, with migrants coming mainly from the Maghreb and from sub-Saharan Africa whose aim is to reach Europe through irregular migration from the Tunisian coasts.⁸⁷ According to the Tunisian Ministry of Commerce, the country hosts around 1 million migrants – 10% of Tunisia’s population. Others cite higher numbers, closer to approximately 1.8 million migrants.⁸⁸ These migration shifts are visualised in Figure 11 below.⁸⁹ Both the in- and out-migration flow have exacerbated the unemployment challenge in Tunisia.

Personal remittances – i.e. personal transfers and compensation of employees in transfers between resident and non-resident individuals – are a significant part of Tunisia’s GDP and double as high as the Middle East and Northern Africa average (Table 14).

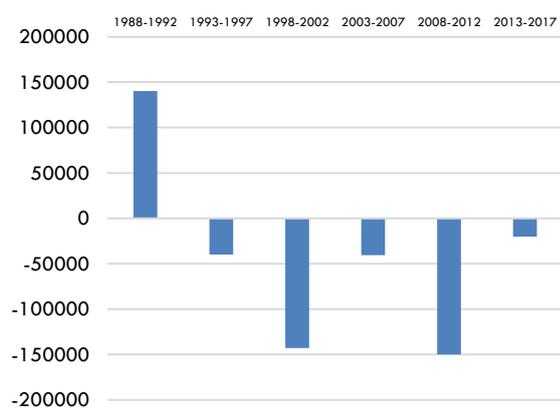
Table 14: Migration Facts in Tunisia

Net number in migration (2012-2017)	Tunisia	- 20,000 *
Net migration rate	Tunisia	-2.75 ** (2015)
		-0.70 ** (2010)
Personal remittances received, % of GDP (2014-2018, average)	Tunisia	4.7 %
	MENA	2.0 %

* Net migration is the net total of migrants during a period of five years; the total number of immigrants less the annual number of emigrants, including both citizens and non-citizens. ** Net number of migrants per 1,000 of the population.

Source: [World Bank, World Development Indicators](#) and [KNOEMA](#)

Figure 11: Net migration trend to average population, 1988-2017



Note: Net migration is the net total of migrants during a period of five years; the total number of immigrants less the annual number of emigrants, including both citizens and non-citizens.

Source: [World Bank, World Development Indicators](#)

Refugees have also been an aspect of Tunisian migration challenges: the number increased considerably in 2018

by approximately 42% amounting to nearly 1,400 registered refugees and asylum-seekers. Arrivals to Tunisia continued by land and air from neighbouring sub-Saharan countries, as well as by land and sea from Libya. Syrian nationals made up most refugees, constituting some 68% of registered refugees. Many third-country nationals transited by land from Libya, including an unexpectedly high number of Eritrean nationals.⁹⁰

Tunisian illegal migration is rising in the aftermath of the Tunisian revolution in 2011. For example, 3,811 undocumented migrants per August 2018 reached Italy. Tunisian authorities stopped 6,369 Tunisians from leaving the country illegally in 2018, almost twice as many as the year before. Still, about 1,600 Tunisians perished at sea, after 1,721 died in 2017.⁹¹ A national movement forms associations such as Democratic Association of Tunisians of France (ADTF) and Union of Tunisian Migrant Workers (UTIT). They operate in Tunisia calling for more migrants’ rights in Europe and request for better treatment of migrants in Tunisia.

The strategy on migration was initiated in 2015 and stayed interlinked to the Mobility Partnership Agreement signed with the EU to manage migration issues, especially for youth. Migrants’ qualifications and access to the labour market have been in focus in the strategy, especially its connection to education and VET systems (see also the section: Education). In addition, it set up a platform for the sustainable reintegration of Tunisian returnees. An impact study of the strategy has not been available.

Despite encouraging out-migration, the Tunisian state has sought to control its citizens abroad.⁹² Among others, the emigrated workers have particularly been prevented involvement in labour unions or political activities. Likewise, foreign workers’ conditions of recruitment under the Tunisian Labour Code have been restrictive. For example, the recruitment of foreigners cannot be carried out when there already are Tunisian workers available that have the skills required for the relevant position. However, the terms of recruitment of executives have been relaxed somewhat by the new Investment Law from 2017.

Tunisia is put under an intense international, mostly European, pressure to accommodate a growing number of migrants – even though less than 1% of irregular migrants captured in Europe are Tunisians. EU holds dialogues with Tunisia on migration issues, including irregular migration. The dialogue was launched in 2011,

and cooperation on migration is embedded in the Mobility Partnership framework concluded in 2014. As part of the partnership, the EU and Tunisia are negotiating visa facilitation and readmission agreements. Especially illegal immigration has become a prioritised theme for EU, which has put more pressure on tightening the conditions for granting visas to partner countries that do not cooperate sufficiently in the framework of readmission. Among others, Tunisia and the EU are negotiating to apply “readmission agreements”, i.e. orderly return of persons who do not, or no longer, fulfil the conditions for entry to, presence in, or residence in the territories of the third country or one of the EU Member States.

Despite international pressure, migration is not perceived as a priority either by the Tunisian society as a whole or by Tunisian decision-makers.⁹³

Informal Economy

Informality is widespread in Tunisia’s labour market and plays an important economic role. According to estimations, the informal economy produces from 30% to 40% of GDP in the country. Around two out of five (40%) in non-agricultural employment are in the informal economy: more than half of which are women just as most are concentrated among youth and the population above 60 years old (see Table 15).

Table 15: Status of the informal economy in Tunisia

Informal economy’s share of GDP (2013)	38 %
Informal employment in total workforce	54 %
Informal employment in non-agriculture (2014)	40 %
Change in informal employment in non-agriculture, 2004-2014	+ 5 p.p.
Vulnerable employment (2020)	20 % *
Change in vulnerable employment, 2010-2020	- 5.0 p.p. *

* Aggregated by own-employment workers and contribution family workers.

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#), [CRES and AfDB, Protection sociale et économie informelle en Tunisie Défis de la transition vers l’économie formelle, May 2016](#) and [OECD, OECD Economic Surveys, Tunisia, Overview, March 2018](#)

Tunisia is challenged by a mounting economic downturn and social changes, which has experienced massive upheavals. Table 15 above also presents some diverging trends. First, informal employment in non-agriculture sectors has experienced a growing trend from 35% in 2004 to 40% in 2014. This situation has been a result of

the political turmoil and economic downturn during the 2010s that especially affected the employment in the private sector. Second, in contrast, and as a proxy indicator of informality, the ‘vulnerable employment’ (i.e. own-account workers and contributing family workers) signals a declining trend. One aspect is that despite a relatively high rate of employees (and employers) (revisit Figure 6), they are for the most part hired on fixed-term contracts and dominated by small-enterprises and the rigidity of regulations on terminating open-ended or permanent contracts. Other report registered that the informal economy contribution to GDP grew from 30% in 2010 to 38% in 2013. This increase is primarily due to a widening gap between income generated by the formal sector and the informal economy.⁹⁴

The presented data reflect a dualism of the labour market in Tunisia divided into a formal sector and an informal economy, which is similar in the Maghreb region. What characterises the informality is to a large degree in connection to weak job creation in the formal sector and no coverage of unemployment protection. As a survivor strategy, many people are pushed towards the informal economy dominated by precarious working conditions such as low-paid, poor job security and limited access to the financial system (see more in Social Protection section). It is bolstered by entrepreneurial activity but often lack application of labour regulations (e.g. minimum wages and taxes) due to insufficient awareness or incentives as well as inadequate labour inspections. Business regulations are rigid, which complicates starting a business and protecting minority investors challenges to formalise enterprises. Not to mention, labour violations of workers’ rights are also more prevalent in the informal economy than in the formal sector.

Another survey data of the informal workers show that they often not are informed about government employment creation programmes, including vocational apprenticeship opportunities. In addition, 80% do not know anything about social security and up to 98% lack an employment contract. Even though nearly 12% of workers are aware of the procedures and steps to join social security programmes, only 7% of informal workers have a national health care card (‘white’ card). Those who have insurance through the National Fund for Health (CNAM) (with a yellow/private card) represent 10%.⁹⁵

Labour mobility in and out of joblessness signals that available jobs have a relatively short duration reflecting the precarious nature of employment in Tunisia.⁹⁶ This condition has resulted in exploitative forms of labour, in

Tunisia known as *sous-traitance*. This phenomenon refers to the outsourcing of jobs to Tunisia, which, instead of contributing to a positive development, in practice, entails mainly low-value-added tasks to Tunisian workers who suffer from job insecurity - either through informality or through the abuse of fixed-term contracts. This type of contract has been intended to provide a four-year window of flexibility to the employer, but in practice, some firms have used it to keep the workforce in permanent job insecurity. On average, nearly 50% of employees are in fixed-term contracts. Critics argue it is a legalised exploitative system that exacerbates the already widespread informality.

The authorities have struggled to implement a new combined system to monitor the informal economy since 2013 through labour and micro-enterprise surveys. The results have not yet been published due to technical backdrops, e.g. surveys demonstrate high non-response rates of survey data on micro-enterprises level.⁹⁷ The low monitoring has raised concerns among the government, mainly due to the losses of the value-added tax are equivalent to 3 billion dinars (US\$1.2 billion) from small-enterprises in the informal economy.

The informal economy is linked with smuggling and black-markets activities. Smuggling in Tunisia has become an endemic problem that affects the economy. Among others, there is a wide variety of illegally imported products, e.g. televisions, food products, cigarettes and gasoline. With the high cost of living, more and more people are consuming smuggled products. Estimations suggest that the losses incurred by the Tunisian state due to the parallel trade amounted to US\$650 million, of which an estimated US\$271 million were lost in customs duties (see Economic Performance section).⁹⁸

Child Labour

Based on the limitations of data availability, child labour appears not widespread in Tunisia at 2.3%, and it is most common in rural areas. It is lower than Algeria of 4.3% (age 5-14) (see Table 16). The children engage in the worst forms of child labour is related to scavenging for garbage and in forced labour in domestic work and begging, sometimes because of human trafficking. Children also perform dangerous tasks in street work.

Table 16: Status of child labour rate in age group 5-17 in Tunisia and Africa

Region	Level	Proportion
Tunisia (2011) *	Child labour	2.3 %
	Hazardous work	N/a
Africa (2012-15) **	Child labour	20 %
	Hazardous work	8.6 %

* Age 5-14. ** The Africa region comprises both northern Africa and sub-Saharan Africa.

Source: [ILO, SDG Labour Market Indicators](#) and [ILO, Global estimates of child labour: Results and trends, 2012-2016](#)

In 2018, Tunisia made some improvements in recent years in efforts to eliminate the worst forms of child labour. First, the government developed an expanded hazardous work list that includes additional categories deemed hazardous for children, including street work. Second, as part of its Child Labour National Action Plan, the government published full results of the 2017 National Child Labour Survey. Third, regarding enforcement, the government conducted training for civil and criminal law enforcement officials on human trafficking legal statutes. Fourth, a new National Strategy on Trafficking in Persons was promulgated. Fifth, the government inaugurated the Amali Center outside of Tunis as the first facility for child victims of trafficking in persons.⁹⁹

Despite the relatively low child labour rate in Tunisia, it appears to become more pervasive and visible in the aftermath of the Tunisian Revolution in 2011. Among others, the child labour law's enforcement has been deteriorating.¹⁰⁰

It is estimated that 100,000 children each year, mainly girls, who leave school early for different reasons, especially in the rural regions. At the beginning of 2017, the government identified a pressing need to establish adequate policies to guarantee that children go to school until they are at least 16 years old.

Generally, the legislation prohibits the employment of children younger than 16. Persons under 18 are prohibited from working in jobs that present serious threats to their health, security, or morality. The minimum age for light work in the nonindustrial and agricultural sectors during non-school hours is 13. Children between the ages of 14 and 16 may work no more than two hours per day. The total time that children spend at school and work may not exceed seven hours per day. In addition, the law's minimum age protections do not apply to children who are engaged in work in the informal economy on inhabited premises, such

as private homes, without permission of the property owner or a court order. In principle, labour inspectors monitor compliance with the minimum age law by examining the records of employees. In practice, the labour inspectorate does not have adequate resources to monitor the informal economy.¹⁰¹

The Ministries of Employment and Vocational Training, Social Affairs, Education, and Women, Family, and Childhood all have programmes in place to discourage children and parents from entering the informal labour market at an early age. These efforts include programmes to provide vocational training and to encourage youth to stay in school through secondary school.

Children younger than 16 years are generally prohibited in employment by law. Persons under 18 are prohibited from working in jobs that present severe threats to their health, security, or morality. The minimum age for light work in the nonindustrial and agricultural sectors during non-school hours is 13.¹⁰² The minimum age protection does not apply to children who are engaged in work in the informal economy, though. It is worth mentioning that in collaboration between UGTT and the Ministry of Education, some labour inspectors of spot checks were implemented in 2016.¹⁰³

Gender

Tunisia is, among others, known for its modern legislation on women's rights. The country's long featured activism among women that fight for equal rights in the Tunisian society has inspired other countries in the region. In 2017, the parliament adopted a law that aims to eliminate violence against women and is compared to other countries in the region much advanced in terms of women's rights.¹⁰⁴ Abortion was legalised in 1973, but a rise of conservatism within the medical profession has raised opinions against the act.¹⁰⁵ Another issue is that women inherit half of what men do – based on the traditional idea that the man is the head of the family.

Tunisian women's labour market participation rate is estimated at 24%, which is 46 percentage points lower than men's (Table 17). In contrast, women's unemployment rate is seven percentage points higher than the men. Women registered as inactive in the labour market does not necessarily mean they are not working. They fall instead of doing domestic work, which is statistically not recognised as labour participation.

Table 17: Gender gaps among workers in Tunisia, % in total labour force and gender percentile gap, 2020

	Men	Women	Men/women, percentage point
Participation rate	69 %	24 %	46 p.p.
Unemployment rate	15 %	22 %	7 p.p.

Source: [ILO, ILOSTAT](#)

Both men and women have higher unemployment rates among the better-educated population, but women are particularly hard hit, i.e. 42% of women with tertiary or university education are unemployed. Previously women had lower levels of education, but the education system has worked like a 'sponge' absorbing the women youth. Notable, enrolment in secondary and tertiary school level have increased significantly for women over the last decade and outpaced men (see also Figure 14 ahead).

According to the National Institute of Statistics, women are 25% less paid than men in the private sector, and the unequal pay at times reaches minus 44% in the industrial sector.¹⁰⁶

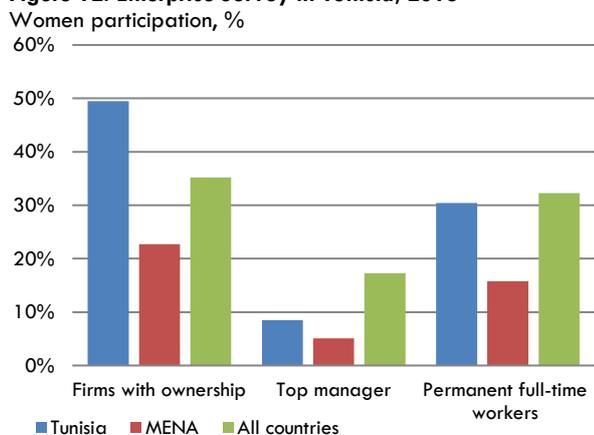
Many young women are often discouraged from seeking employment by societal norms and expectations, which is particularly in the interior and south, where patriarchal traditions are deeply rooted. While men, in general, are unrestricted in their choice of employment, women are often restricted to employment within education and nursing.¹⁰⁷ The patriarchal organisation also extends to the family, and a woman's decision to pursue employment outside the home may be considered subversive and diminish her marriage prospects. Therefore, each woman must carefully weigh the financial and professional benefits of seeking employment against the potential social consequences for herself and her family.

Young married women participate significantly less in the labour market than single women. As just mentioned, Tunisian women take more responsibility in the household and have a greater workload than men regardless of their professional situation. Moreover, there is a lack of social services, making women strongly attached to their traditional domestic roles (see Social Protection section).¹⁰⁸

According to the most recent Enterprise Survey from 2013, Tunisia has a relatively high rate of firms with women ownership in comparison with MENA and all countries' average. The country remains to have higher participation in terms of top management and permanent full-time workers in comparison with MENA.

However, it ended lower than all countries' average (see Figure 12).

Figure 12: Enterprise Survey in Tunisia, 2013



Source: [World Bank, Tunisia Enterprise Survey, 2013](#)

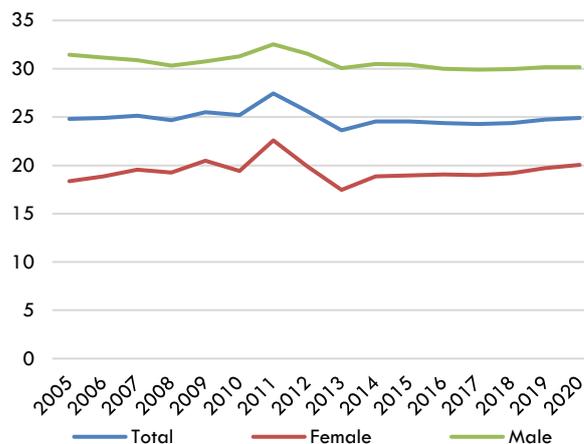
Youth

It was the younger generation that sparked changes in Tunisia as well as across the Middle East and North Africa Region in 2011. Aspirations remain unmet; many young people think they have been unable to secure a role in decision-making and feel that they are not consulted on issues that directly affect them. Inclusion in the labour market plays here a central role, as especially young women are increasingly excluded from the labour market.

As shown in Table 10 and Figure 5 earlier on, the employment rate is substantially lower among the youth compared to all above 15 years: 18 percentage points lower in total, 32 percentage points for men and six percentage points for women. The youth unemployment rate has since 2000 decreased slightly up until 2020, with a minor increase after the Tunisian revolution in 2011. In 2020, more than every third young person is unemployed; and the employment-to-population ratio is down to 13% for women and 28% for men. Similarly, the labour force participation rate is for the young population down to 20% for women and 43% for men.

In 2020, the proportion of youth not in employment, education or training (i.e. NEET rate) is relatively high for both men (30%) and women (20%) with a gap of 10 percentage points (Figure 13). It is clear how the Tunisian Revolution in 2011 affected the NEET rate negatively, which however decreased the two following years. The NEET rates are higher in rural areas compared to urban Tunisia.¹⁰⁹

Figure 13: Share of youth not in employment, education or training (NEET) in Tunisia, 2005-2020



Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

A central issue when it comes to the youth in Tunisia is that there is a mismatch between the number of graduates and the number of suitable jobs (see following Education section). While the country has no national youth policy, there is a need for targeted policies to help young people building careers as well as investment in new businesses with an increase in women's participation in the labour force. Second, there is a need to create more awareness among young graduates regarding labour and business regulations, general empowering initiatives and engaging with youth-led organisations.¹¹⁰

The chances for young people to find employment depend first and foremost on family background. Job informality is common among Tunisian youth, as less than one in three young workers has a formal work contract and access to social protection (revisit Informal Economy sub-section).¹¹¹

EDUCATION

The Tunisian education system is influenced by the French system just as Arabic culture and language are prioritised.¹¹² Recent educational reforms (2002-2016) have aimed to modernize the country that placed it among the countries with the highest investment in education in Northern Africa. However, facing deteriorating quality standards and high unemployment rates among young graduates, authorities have looking to overhaul the education and vocational training system.

In Tunisia, basic education from grades 1–9 is compulsory and is comprised of six years of primary education and three years of preparatory education, which is also referred to as lower secondary or middle school. At the end of grade six, students must score above 50% on their

exams to continue to middle school. Traditionally, many students must repeat the sixth year of primary education, which has led to increased dropout rates after only six years of education.¹¹³

Table 18 below shows how employment is distributed according to educational level. Here we see how women tend to be higher educated (28%) compared to men (15). However, it is also women who tend to be less than basic education (11%) compared to men (8.8%). Overall, the educational levels for employed have heightened in the period from 2005-2015. While the shares of employed with less-than-basic and basic education have decreased, the opposite has happened for the employed with intermediate and advanced education. Tunisia spends 6.2% of GDP on education.

Table 18: Employment by education in Tunisia, % of employment distribution, age 15+, 2015

	Less than basic	Basic	Intermediate	Advanced
Total	9.4 %	35 %	37 %	18 %
Men	8.8 %	39 %	38 %	15 %
Women	11 %	25 %	36 %	28 %

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

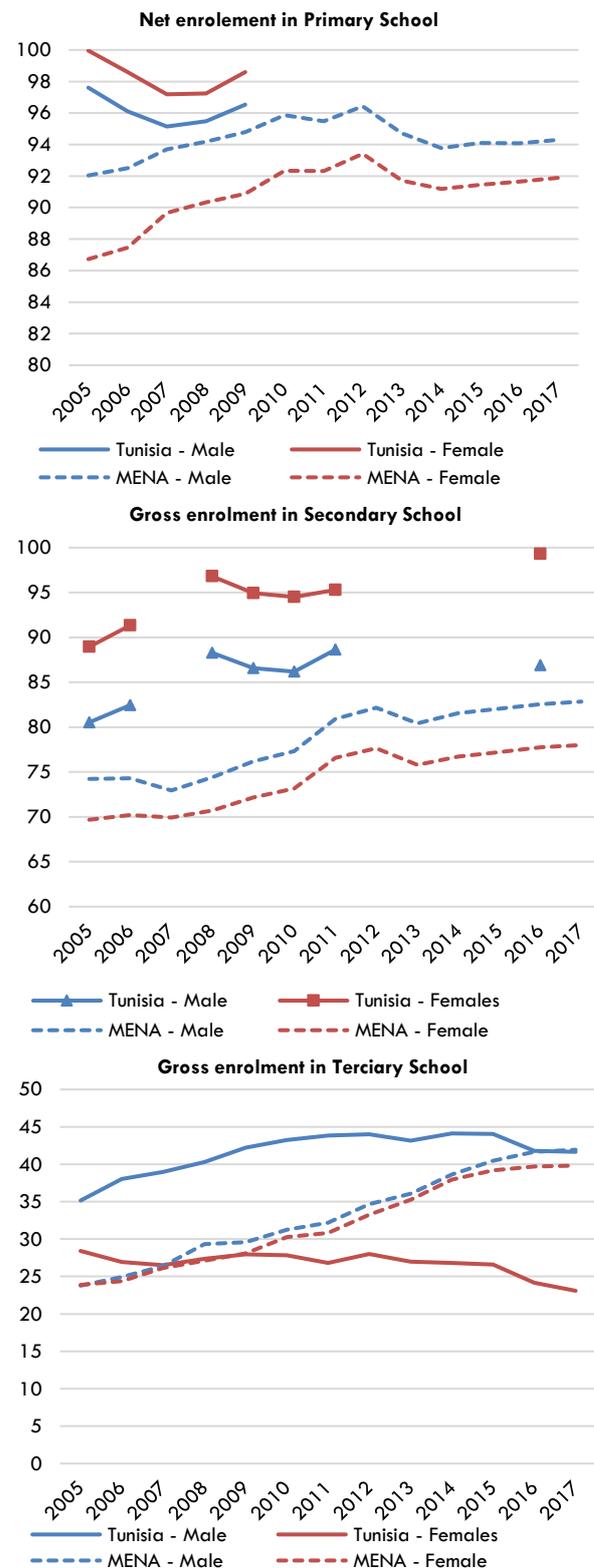
Enrolment rates into schools are relatively high in Tunisia compared to MENA averages on all levels except of female enrolment at the tertiary level (Figure 14).

Firstly, Data on enrolment at the primary and secondary level is limited in Tunisia, as the latest data are from respectively 2009 and 2011. Net enrolment in primary education was in 2009 not far from universal with a gender gap on two percentage points. Following the regional trend, the net enrolment in primary education might have increased slightly in recent years.

Secondly, gross enrolment in secondary education remains significantly higher than the regional average with a minor gender gap that favours females.

Thirdly, gross enrolment in tertiary education has since 2011 decreased slightly among males to meet the regional level on 42% in 2017. Among females, the trend has been more severe, with a decrease of five percentage points in the period 2012-2017. Since 2009, this enrolment rate has been below the regional; while it worsened in Tunisia, it increased in the region.

Figure 14: Enrolment in Primary, Secondary and Tertiary schools, Male & Female, Tunisia & MENA, %, 2005-2017,



Note: Net enrolment is the ratio of children of official school age, who are enrolled in school to the population of the corresponding official school age. Gross enrolment is the ratio of total enrolment, regardless of age, to the population of the corresponding official school age.

Source: [World Bank, DataBank, Education Indicators](#)

The education system is confronting a wide range of challenges. First, the dropout rate is high, an estimated 130,000 students annually. Second, the country ranks in the bottom five among 65 countries assessed for the quality of their education systems and students' academic competencies.¹¹⁴ The unemployment by the level of educational attainment is higher among the secondary and tertiary educated population.

School-to-work transition is difficult, and it has been so especially for university graduates. According to estimations, it takes an average of six years for university graduates to find a stable job.¹¹⁵ Results from a study of Tunisian men suggest that education increases employment, but that this increase is concentrated either in relatively low skill white-collar occupations or in managerial jobs in the public sector.

In 2016, some steps were made towards an improved social dialogue between the government and students through formal meetings. The aim was to discuss the education system and gearing it better towards job opportunities. However, recent terrorist attacks in Tunisia stalled the initiative.

Skill mismatches between job requirements and qualifications are challenged on the labour market in Tunisia. It is mostly related to that skill mismatches are mainly affected by an incidence of under-education at 33%. This estimation illustrated some gender gaps: women had a higher rate (40%) than men's (31%). Over-education is less present but should not be underestimated.

In 2019, Tunisia was the first country in the Arab world to introduce sexual education in schools for students from the age of five.¹¹⁶

Vocational training

Technical and Vocational Education and Training (TVET) contributes to the development of a productive workforce by linking the education systems to the needs of the economy. The TVET system is controlled by a centralised government agency that manages the system without the involvement of social partners. While the funding of the TVET centres predominantly occurs via public budget allocations, student fees are usually limited and only cover administrative costs.¹¹⁷

TVET in Tunisia is confronting challenges; enrolment rates are decreasing, the ratio of female vocational pupils in secondary education dropped from 33% in the period

2011-2016 (Table 19). The enrolment ratio of women has increased a few percentage points, while it has decreased slightly in the MENA region. In 2018, the female rates for the country and the whole region were similar. For more quick facts on the TVET status in both Tunisia and the MENA region, please consult Table 19.

Table 19: Vocational Training facts

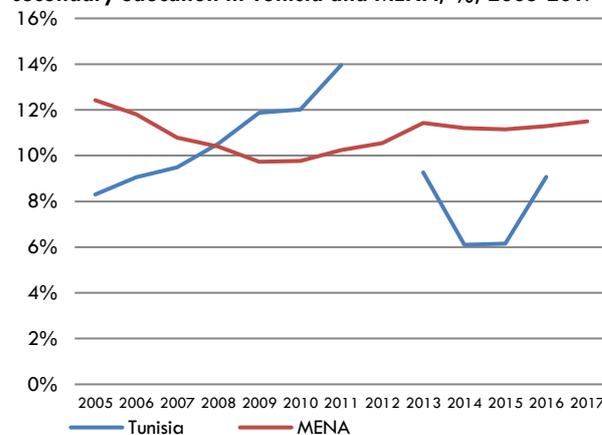
Tunisia	2016	Trend, 2011-2016
Pupils in Vocational Training	94,981	-41 %
Enrolment in secondary vocational, women	34,866	-33 %
Enrolment ratio in secondary vocational, women	37 %	4.2 p.p.
Vocational pupils/ all secondary pupils' ratio	9.1 %	-5 p.p.
Ratio of teachers to pupils in vocational education	1:9 *	+4 pupils per teacher **
Middle East and North Africa		%
Enrolment ratio in secondary vocational, women	38 %	-1.0 p.p.
Vocational pupils/ all secondary pupils ratio	11 %	-1.0 p.p.

* 2008 ** 2002-2008

Source: [World Bank, Education Statistics](#)

According to the available data, the ratio of pupils in vocational training compared to all pupils at the secondary level has experienced a decrease from 2011-2016 in Tunisia (Figure 15). However, the last year measured indicates a slight increase in ratio. The ratio has also been decreasing in the whole region, but less than in Tunisia. A very steep decline of pupils in vocational training has happened - from a peaking 16% of pupils in vocational training to all pupils in secondary education in 2011 to 6% in 2014. The country has now a lower ratio than the MENA average.

Figure 15: Pupils in vocational training to all pupils in secondary education in Tunisia and MENA, %, 2005-2017



Source: [World Bank, DataBank, Education Indicators](#)

Global competitiveness, technological development, changing employment standards and economic crises, have all imposed additional challenges on the TVET system in Tunisia in its role of providing skills and the needs of the economic market.¹¹⁸ The TVET reform from 2014 to 2018 has resulted in some concrete measures: i) an inter-institutional body to coordinate VET with general education and higher education to be set up by the end of 2014, ii) the law on qualifications framework from 2008 has been put in practice creating first pathways between vocational and higher education, and iii) training centres are to be equipped with observatories of the local labour market to respond better to local needs.

Before the Arab Spring in 2011, Tunisia was not willing to evaluate public policies. Recently, there have been some improvements. An impact study of Tunisian vocational training programs on employment and wages estimated that vocational training in Tunisia has a positive treatment effect on the probability of employment and wage. Results showed that assignment to the programs depended on both observable and unobservable characteristics of the individual, e.g. due to individual and family obstacles, the individual perseveres to get a job and works hard to improve wage.¹¹⁹

The private sector also plays a role in supporting the vocational training system, mostly for entrepreneurship. Many of the training centres teach with a system that provides training to students directly in companies. The private sector also has a role in providing training and support services where the market demands them.

However, the private sector and the education sector tend to operate in isolation with the VET. An issue is that the education and training system lacks the information necessary to become responsive to the needs of the private sector, just as the private sector lacks knowledge and clarification of its role in a demand-driven skill development system. It is a barrier to expanding business in Tunisia and ensuring that the skills acquired are relevant for access to the labour market.¹²⁰

SOCIAL PROTECTION

Compared to other Arab countries, Tunisia's social protection system is relatively well-developed. It includes both contributory and non-contributory benefits through social insurance for a part of the working force, including unemployed, social assistance in the form of universal subsidies, targeted cash transfers and social health

insurance.¹²¹ The Tunisian constitution recognises the right to social protection for all, and it has been a national priority.

Table 20 below outlines the status of social protection coverage. Among others, more than half of all persons above retirement age are receiving a pension, while it almost also is the case for children/households receiving child/family cash benefits.

Table 20: Social protection coverage in Tunisia, %, 2017 or latest year available

Group	Coverage
Persons above retirement age receiving a pension	54 %
Children/ households receiving child/family cash benefits	48 %
Coverage of social safety net programmes in poorest quintile	20 %
Coverage of social protection and labour programs*	14 %
Coverage for mothers with new-borns receiving maternity cash benefits	12 %
Persons with severe disabilities collecting disability social protection benefits	5.1 %
Effective coverage for unemployed persons**	3.0 %

* 2010 ** 2008

Source: [World Bank, World Development Indicators](#), [ILO, World Social Protection Report](#) and [ILO, Social Protection, Statistics and indicators](#)

When it comes to social protection expenditure measured as a percentage out of GDP, Tunisia spends a tenth on social protection, including health. Current health expenditure per capita – healthcare goods and services consumed during each year – has been on the meagre increase from US\$244 in 2010 to US\$257 in 2016. In 2015, 47% in the working-age population were active contributors to a pension scheme. Measured by gender, a gap is revealed with a 26% contribution rate for women and 69% for men.¹²² See more information on social protection expenditure in Table 21.

Table 21: Social protection expenditure in Tunisia, % of GDP, latest year available

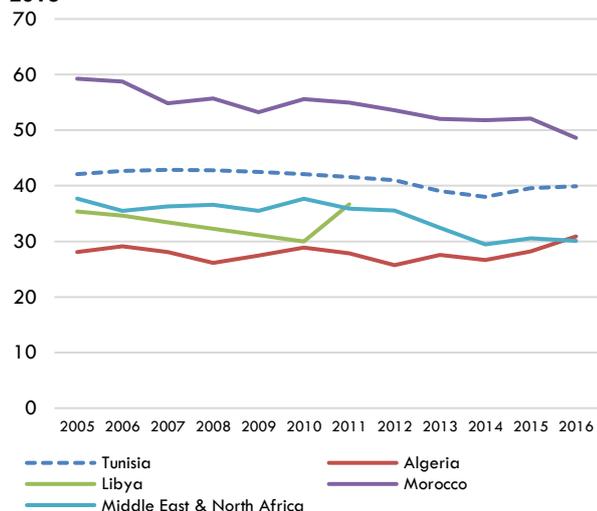
Service	Expenditure
Total social protection including health *	10 %
Current health expenditure (% of GDP) **	7.0 %
Public social protection on pensions and other benefits, excluding health, for persons above statutory pensionable age	5.2 %
Public social protection expenditure excluding health *	6.2 %
Public social protection, excluding health, on people of working age	3.4 %

* 2011 ** 2016

Source: [World Bank, World Development Indicators](#), [ILO, Social Protection, Statistics and indicators](#) and [ILO, World Social Protection Report](#)

The country's health-care system is fragile. Figure 16 below shows that the total health-care expenditure not financed by private household's out-of-pocket payments overall has stayed flat at around 40% in the period from 2005 to 2016. It hovers above Egypt and Morocco's payments, but significantly lower than the Algeria average.

Figure 16: Total health-care expenditure not financed by private household's out-of-pocket payments, %, 2005-2016



Source: [ILO, Addressing the Global Health Crisis: Universal Health Protection Policies, Social Protection Policy Papers, Paper 13, 2014](#)

Social protection programs have poor targeting of benefits, fragmented and expensive, resulting in low coverage: Based on the latest estimates, only 40% of all Tunisia's social safety net beneficiaries are officially people living below the national poverty line.¹²³ The current social protection system mostly relies on untargeted fuel subsidies. It is criticised for being too expensive and inequitable as it largely benefits the rich.¹²⁴ Tunisia is in a process of phasing-out energy subsidies.

Financial stability of the pension system has become a particularly pressing issue since 2016 because of fiscal deficit. Separate pension systems exist for public sector workers and private-sector workers. Total pension expenditures represent around 5% of GDP, while around only 37% of the working-age population contributes to one of these two pension funds. There are several problems with the systems as they not adequately penalise early retirement and therefore a considerable number of people retire before the retirement age; the actual average retirement age is 55, well below the normal retirement age. Other wrong incentives include late enrolment, in the public sector, where pensions are

calculated as a percentage of the last salary. Finally, the schemes are fragmented and complex in design.

The Ministry of Social Affairs runs most social security systems in Tunisia. The two main contributory social security schemes are: i) the National Social Security Fund (*Caisse Nationale de Sécurité Sociale*, CNSS) for the private sector, and ii) the National Pension and Social Contingency Fund (*Caisse Nationale de Retraite et de Prévoyance Sociale*, CNRPS) for the public sector.¹²⁵ Both schemes are operated on a pay-as-you-go basis. The two schemes provide family allowances, family supplements and nursery school subsidy, pensions for old age, disability and survivors, as well as benefits for sickness and maternity leave. Recently, non-contributory unemployment benefit schemes have been introduced.

Tunisia's contributory social health scheme is the National Health Insurance Fund (*Caisse nationale d'assurance maladie*, CNAM) providing medical insurance. Tunisia's main cash transfer programme is the National Aid Programme for Disadvantaged Families (PNAFN) and was created in 1986.¹²⁶ PNAFN is a monthly unconditional cash transfer programme targeting people who are unable to work due to old age, disability or chronic disease. See more social protection programme in Appendix Table 24.

An unemployment law was established in 1997 and covered non-agricultural salaried employees. As already indicated, unemployment benefits are at a maximum of the national minimum wage, paid for up to a year. There is also a temporary scheme, where recent graduates can receive unemployment benefits. Employers and employees pay different contributions depending on the benefit type. The Ministry of Vocational Training and Employment promotes eight programs of employment.¹²⁷ Among others, an active policy of employment is geared of enrolment and integration programs for youth. The government also promotes pilot Active Labour Market Programs (ALMPs), which includes a consolidation process to establish a unified social protection information system.¹²⁸

Some central challenges with the social insurance system - pensions, health and unemployment - are ad-hoc financing mechanisms and redistributive arrangements that increase labour costs. It is notably through a high tax wedge, which is the difference between the total cost of labour, take-home pay, and the valuation of social insurance benefits. On this background, the system has become financially unsustainable and inequitable.¹²⁹

The trade union movement has raised concerns about the impact of social protection due to the previously mentioned massive expansion of casual employment. It is related to precarious work not only weakens the interests of the workers and the financial equilibrium of the social security system. It also undermines the whole national economy, e.g. weakening of solvent domestic demand and absence of productivity gains.¹³⁰

Social security and labour regulations have a bias favouring public sector employment. It kept many workers from the informal economy without access to national security schemes. However, there are several initiatives through 2019 and 2020 to broaden the coverage of social security. Among others, in the

aftermath of a tragic truck accident where thirteen women workers of agriculture sector passed away in April 2019, the government launched the initiative "Ahmini" to provide social security and protection for workers of this sector. It was part of a new system of social security allowing seasonal workers in agriculture, fishing and other of workers to subscribe on condition that they pay the full fees of inscription and that they shall not benefit from it unless they pay their inscriptions over the whole period of their work types. The government also made resolution no. 19 of 2020 on establishing special procedures for people with an irregular income to encourage them to join the tax and social security systems.

APPENDIX: ADDITIONAL DATA

Table 22: List of approved labour related legislations in Tunisia, 2014-2018

Type of legislation	Legislation
2014	
General provisions	Loi n° 2014-46 du 24 juillet 2014, modifiant le décret-loi n° 2011-117 du 5 novembre 2011, portant organisation de l'activité des institutions de micro finance
	Constitution du 27 janvier 2014
Labour administration	Décret n° 2014-4238 du 27 novembre 2014, fixant le statut particulier du corps de l'inspection médicale du travail
	Décret n° 2014-2861 du 15 juillet 2014, fixant le statut particulier aux membres du comité général d'inspection du travail et d'administration des conflits du travail du ministère des affaires sociales
Employment policy, promotion of employment and employment services	Décret n° 2014-2901 du 30 juillet 2014, modifiant et complétant le décret n° 2012-2369 du 16 octobre 2012, fixant les programmes du Fonds national de l'emploi, les conditions et les modalités de leur bénéfice
Conditions of employment	Décret n° 2014-2906 du 11 août 2014, fixant l'indemnité de transport pour les salariés payés au salaire minimum interprofessionnel garanti dans les secteurs non agricoles régis par le Code du travail
	Décret n° 2014-2907 du 11 août 2014, fixant le salaire minimum interprofessionnel garanti dans les secteurs non agricoles régis par le Code du travail
	Décret n° 2014-2908 du 11 août 2014, fixant le salaire minimum agricole garanti
Occupational safety and health	Décret n° 2014-4238 du 27 novembre 2014, fixant le statut particulier du corps de l'inspection médicale du travail
Social security (general standards)	Arrêté du ministre de la santé du 6 juin 2014, portant création de la commission technique du dialogue national sur les politiques, les stratégies et les plans nationaux de la santé, fixant ses attributions, sa composition et les modalités de son fonctionnement
	Arrêté du ministre des affaires sociales du 30 avril 2014, relatif à la fixation du barème d'actualisation des salaires pris en compte dans le calcul des pensions de vieillesse, d'invalidité et de survivants
	Décret n° 2014-60 du 16 janvier 2014, complétant le décret n° 85-1025 du 29 août 1985, fixant la liste des établissements publics à caractère industriel et commercial et des sociétés nationales dont les personnels sont affiliés à la caisse nationale de retraite et de prévoyance sociale
Migrant workers	Décret n° 2014-1930 du 30 avril 2014, portant création de l'Observatoire national de la migration et fixant son organisation administrative et financière
Specific categories of workers	Décret n° 2014-4030 du 3 octobre 2014, portant approbation du code de conduite et de déontologie de l'agent public
	Décret n° 2014-2906 du 11 août 2014, fixant l'indemnité de transport pour les salariés payés au salaire minimum interprofessionnel garanti dans les secteurs non agricoles régis par le Code du travail
	Décret n° 2014-2908 du 11 août 2014, fixant le salaire minimum agricole garanti
2015	
General provisions	Décret n° 2015-51 du 13 janvier 2015, relatif à la fixation des modalités d'organisation, de fonctionnement et des méthodes d'intervention du Fonds de soutien des petites et moyennes entreprises
	Décret gouvernemental n° 2015-1593 du 30 octobre 2015, portant création de la Commission nationale de coordination, d'élaboration et de présentation des rapports et de suivi des recommandations dans le domaine des droits de l'Homme
	Loi organique n° 2015-50 du 3 décembre 2015, relative à la Cour constitutionnelle.
Conditions of employment	Décret gouvernemental n° 2015-1763 du 9 novembre 2015, fixant le salaire minimum agricole garanti.
	Décret gouvernemental n° 2015-1762 du 9 novembre 2015, fixant le salaire minimum interprofessionnel garanti dans les secteurs non agricoles régis par le Code du travail.
Social security (general standards)	Arrêté du ministre des affaires sociales du 11 septembre 2015, fixant l'âge d'admission à la retraite pour les agents mineurs.
Specific categories of workers	Décret gouvernemental n° 2015-1763 du 9 novembre 2015, fixant le salaire minimum agricole garanti.
	Arrêté du ministre des affaires sociales du 11 septembre 2015, fixant l'âge d'admission à la retraite pour les agents mineurs.
2016	
General provisions	Loi n° 2016-5 du 16 février 2016, modifiant et complétant certaines dispositions du Code de procédure pénale
	Loi organique n° 2016-22 du 24 mars 2016, relative au droit d'accès à l'information.
	Loi organique n° 2016-34 du 28 avril 2016, relative au Conseil supérieur de la magistrature.
	Tunisia - General provisions - Regulation, Decree, Ordinance
Elimination of forced labour	Loi organique n° 2016-61 du 3 août 2016, relative à la prévention et la lutte contre la traite des personnes

Labour administration	Décret gouvernemental n° 2016-271 du 2 mars 2016, portant création du ministère de la Fonction publique, de la gouvernance et de la lutte contre la corruption et lui rattachant des structures
	Décret gouvernemental n° 2016-365 du 18 mars 2016, portant création du ministère des affaires locales et fixation de ses attributions
	Décret gouvernemental n° 2016-465 du 11 avril 2016, portant création du ministère de la relation avec les instances constitutionnelles, la société civile et les droits de l'Homme et fixant ses compétences et ses attributions.
	Décret gouvernemental n° 2016-626 du 25 mai 2016, portant création du conseil des pairs pour l'égalité et l'équivalence des chances entre la femme et l'homme.
	Décret gouvernemental n° 2016-662 du 30 mai 2016, fixant l'organisation du ministère des relations avec les instances constitutionnelles et la société civile et des droits de l'Homme
	Décret gouvernemental n° 2016-962 du 4 août 2016, fixant les attributions du ministère de la Fonction publique, de la gouvernance et de la lutte contre la corruption
	Décret gouvernemental n° 2016-1144 du 24 août 2016, portant création d'une unité de gestion par objectifs pour le suivi du programme de promotion de l'égalité entre les femmes et les hommes
Employment policy, promotion of employment and employment services	Décret gouvernemental n° 2016-445 du 31 mars 2016, complétant le décret n° 2012-2369 du 16 octobre 2012, fixant les programmes du fonds national de l'emploi, les conditions et les modalités de leur bénéfice.
	Loi n° 2016-41 du 16 mai 2016, portant modification de la loi d'orientation n° 2005-83 du 15 août 2005, relative à la promotion et à la protection des personnes handicapées
Social security (general standards)	Décret gouvernemental n° 2016-904 du 27 juillet 2016, complétant le décret n° 2012-2369 du 16 octobre 2012, fixant les programmes du fonds national de l'emploi, les conditions et les modalités de leur bénéfice.
	Décret gouvernemental n° 2016-1401 du 27 décembre 2016, modifiant le décret n° 98-1812 du 21 septembre 1998, fixant les conditions et les modalités d'attribution et de retrait de la carte de soins gratuits
	Décret gouvernemental n° 2016-1126 du 18 août 2016, fixant les modalités et les conditions des interventions du fonds de promotion du logement pour les salariés.
Migrant workers	Décret gouvernemental n° 2016-112 du 25 janvier 2016 portant modification du décret n° 98-1812 du 21 septembre 1998, fixant les conditions et les modalités d'attribution et de retrait de la carte de soins gratuits.
	Loi n° 2016-68 du 3 août 2016, portant création d'un conseil national pour les Tunisiens résidents à l'étranger et fixant ses attributions, sa composition et les modalités de son fonctionnement.
Specific categories of workers	Décret gouvernemental n° 2016-1143 du 26 août 2016, fixant les conditions et les procédures du redéploiement des agents de l'Etat, des collectivités locales et des établissements publics à caractère administratif.
2017	
General provisions	Loi organique n° 2017-19 du 18 avril 2017, modifiant et complétant la loi organique n° 2016-34 du 28 avril 2016, relative au Conseil supérieur de la magistrature.
Equality of opportunity and treatment	Loi organique n° 2017-58 du 11 août 2017, relative à l'élimination de la violence à l'égard des femmes.
Tripartite consultations	Loi n° 2017-54 du 24 juillet 2017, portant création du Conseil national du dialogue social et fixant ses attributions et les modalités de son fonctionnement.
Labour administration	Décret gouvernemental n° 2017-768 du 9 juin 2017, modifiant le décret n° 96-269 du 14 février 1996, portant organisation du ministère des affaires sociales.
Employment policy, promotion of employment and employment services	Décret gouvernemental n° 2017-358 du 9 mars 2017, complétant le décret n° 2012-2369 du 16 octobre 2012, fixant les programmes du fonds national de l'emploi, les conditions et les modalités de leur bénéfice.
Education, vocational guidance and training	Loi n° 2017-13 du 13 mars 2017, relative aux mesures spécifiques pour la consécration de l'obligation d'accès à la formation professionnelle initiale.
	Loi n° 2017-38 du 2 mai 2017, portant modification de la loi n° 2008-19 du 25 février 2008, relative à l'enseignement supérieur.
Conditions of employment	Décret gouvernemental n° 2017-669 du 5 juin 2017, fixant le salaire minimum agricole garanti.
	Decret gouvernemental n° 2017-668 du 5 juin 2017 fixant le salaire minimum interprofessionnel garanti dans les secteurs non agricoles regis par le Code du travail.
Social security (general standards)	Décret gouvernemental n° 2017-1374 du 13 décembre 2017, complétant le décret n° 85-1176 du 24 septembre 1985, fixant les éléments permanents de la rémunération des agents des établissements publics à caractère industriel et commercial et des sociétés nationales affiliés à la Caisse nationale de retraite et de prévoyance sociale.
	Décret gouvernemental n° 2017-1368 du 13 décembre 2017, complétant le décret n° 85-1176 du 24 septembre 1985, fixant les éléments permanents de la rémunération des agents des établissements publics à caractère industriel et commercial et des sociétés nationales affiliés à la Caisse nationale de retraite et de prévoyance sociale.
	Décret gouvernemental n° 2017-989 du 30 août 2017, complétant le décret n° 85-1025 du 29 août 1985, fixant la liste des établissements publics à caractère industriel et commercial et des sociétés nationales dont les personnels sont affiliés à la caisse nationale de retraite et de prévoyance sociale.
	Loi n° 2017-47 du 15 juin 2017, modifiant la loi n° 2004-71 du 2 août 2004, relative à l'institution d'un régime d'assurance maladie.
	Décret gouvernemental n° 2017-428 du 11 avril 2017, complétant le décret n° 85-1176 du 24 septembre 1985, fixant les éléments permanents de la rémunération des agents des établissements publics à caractère industriel et commercial et des sociétés nationales affiliés à la Caisse nationale de retraite et de prévoyance sociale.
	Décret gouvernemental n° 2017-458 du 11 avril 2017, complétant le décret n° 85-1176 du 24 septembre 1985, fixant les éléments permanents de la rémunération des agents des établissements publics à caractère industriel et commercial et des sociétés nationales affiliés à la Caisse nationale de retraite et de prévoyance sociale.
	Décret gouvernemental n° 2017-459 du 11 avril 2017, complétant le décret n° 85-1176 du 24 septembre 1985, fixant la liste des éléments permanents de la rémunération des agents des établissements publics à caractère industriel et commercial et des sociétés nationales affiliés à la Caisse nationale de retraite et de prévoyance sociale.

	Décret gouvernemental n° 2017-364 du 13 mars 2017, fixant les modalités et les procédures d'attribution et de retrait de la carte de soins gratuits au profit des résistants et leurs ayants droit.
Seafarers	Décret gouvernemental n° 2017-365 du 1er mars 2017, fixant les conditions d'exercice des fonctions des gens de mer à bord des navires de mer astreints à tenir un registre d'équipage et le contrôle y afférent.
Specific categories of workers	Décret gouvernemental n° 2017-1374 du 13 décembre 2017, complétant le décret n° 85-1176 du 24 septembre 1985, fixant les éléments permanents de la rémunération des agents des établissements publics à caractère industriel et commercial et des sociétés nationales affiliés à la Caisse nationale de retraite et de prévoyance sociale.
	Décret gouvernemental n° 2017-1368 du 13 décembre 2017, complétant le décret n° 85-1176 du 24 septembre 1985, fixant les éléments permanents de la rémunération des agents des établissements publics à caractère industriel et commercial et des sociétés nationales affiliés à la Caisse nationale de retraite et de prévoyance sociale.
	Décret gouvernemental n° 2017-825 du 28 juillet 2017, fixant les procédures et les modalités d'application des dispositions dérogatoires relatives à la mise à la retraite avant l'âge légal dans le secteur de la fonction publique.
	Décret gouvernemental n° 2017-810 du 30 juin 2017, modifiant le décret n° 2012-1710 du 14 septembre 2012, relatif à la répartition des horaires et jours de travail des agents de l'Etat, des collectivités locales et des établissements publics à caractère administratif.
	Loi n° 2017-51 du 28 juin 2017, portant dispositions dérogatoires de mise à la retraite avant l'âge légal dans la fonction publique.
	Décret gouvernemental n° 2017-669 du 5 juin 2017, fixant le salaire minimum agricole garanti.
	Décret gouvernemental n° 2017-428 du 11 avril 2017, complétant le décret n° 85-1176 du 24 septembre 1985, fixant les éléments permanents de la rémunération des agents des établissements publics à caractère industriel et commercial et des sociétés nationales affiliés à la Caisse nationale de retraite et de prévoyance sociale.
	Décret gouvernemental n° 2017-458 du 11 avril 2017, complétant le décret n° 85-1176 du 24 septembre 1985, fixant les éléments permanents de la rémunération des agents des établissements publics à caractère industriel et commercial et des sociétés nationales affiliés à la Caisse nationale de retraite et de prévoyance sociale.
Décret gouvernemental n° 2017-459 du 11 avril 2017, complétant le décret n° 85-1176 du 24 septembre 1985, fixant la liste des éléments permanents de la rémunération des agents des établissements publics à caractère industriel et commercial et des sociétés nationales affiliés à la Caisse nationale de retraite et de prévoyance sociale.	
2018	
General provisions	Arrêté du ministre des finances du 13 avril 2018, modifiant et complétant l'arrêté du 18 janvier 2012, relatif à la fixation du montant maximum du micro-crédit et des conditions de son octroi par les institutions de micro-finance.
Elimination of child labour, protection of children and young persons	Décret Présidentiel n° 2018-5 du 15 janvier 2018, portant ratification de l'adhésion de la République Tunisienne à la Convention du Conseil de l'Europe sur la protection des enfants contre l'exploitation et les abus sexuels (Lanzarote).
Labour administration	Décret gouvernemental n° 2018-166 du 13 février 2018, modifiant le décret n° 2013-4064 du 19 septembre 2013, portant organisation du ministère des Affaires de la femme et de la Famille.
	Décret gouvernemental n° 2018-334 du 6 avril 2018, modifiant et complétant le décret n° 2010-3152 du 1er décembre 2010 portant organisation du ministère de la justice et des droits de l'Homme.
	Décret gouvernemental n° 2018-395 du 23 avril 2018, fixant l'organisation et les attributions des Directions régionales du ministère de la justice.
Social security (general standards)	Décret gouvernemental n° 2018-306 du 27 mars 2018, complétant le décret n° 85-1025 du 29 août 1985, fixant la liste des établissements publics à caractère industriel et commercial et des sociétés nationales dont les personnels sont affiliés à la caisse nationale de retraite et de prévoyance sociale.
	Arrêté du ministre des affaires sociales du 19 février 2018, relatif à la fixation du barème d'actualisation des salaires pris en compte dans le calcul des pensions de vieillesse, d'invalidité et de survivants.
Specific categories of workers	Décret gouvernemental n° 2018-228 du 6 mars 2018, fixant des dispositions exceptionnelles relatives aux agents et ouvriers temporaires ainsi que les agents contractuels de l'Etat, des collectivités locales et des établissements publics à caractère administratif.
	Loi n° 2018-5 du 23 janvier 2018, relative au départ volontaire des agents publics.

Source: [ILO, NATLEX, Tunisia](#)

Table 23: Ratified ILO Conventions in Tunisia

Subject and/or right	Convention	Ratification date
Fundamental Conventions		
Freedom of association and collective bargaining	C087 - Freedom of Association and Protection of the Right to Organise, 1948	1957
	C098 - Right to Organise and Collective Bargaining Convention, 1949	1957
Elimination of all forms of forced labour	C029 - Forced Labour Convention, 1930	1962
	C105 - Abolition of Forced Labour Convention, 1957	1959
Effective abolition of child labour	C138 - Minimum Age Convention, 1973	1995
	C182 - Worst Forms of Child Labour Convention, 1999	2000
Elimination of discrimination in employment	C100 - Equal Remuneration Convention, 1951	1968
	C111 - Discrimination (Employment and Occupation) Convention, 1958	1959
Governance Conventions		
Labour inspection	C081 - Labour Inspection Convention, 1947	1957
	C129 - Labour Inspection (Agriculture) Convention, 1969	Not ratified
Employment policy	C122 - Employment Policy Convention, 1964	1966
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	2014
Up-to-date Conventions		
Protection of children and young persons	C077 - Medical Examination of Young Persons (Industry) Convention, 1946	1970
	C124 - Medical Examination of Young Persons (Underground Work) Convention, 1965	1967
Wages	C095 - Protection of Wages Convention, 1949	1958
Working time	C106 - Weekly Rest (Commerce and Offices) Convention, 1957	1958
Social Security	C118 - Equality of Treatment (Social Security) Convention, 1962	1965
OSH	C120 - Hygiene (Commerce and Offices) Convention, 1964	1970
	C135 - Workers' Representatives Convention, 1971	2007
Industrial Relations	C151 - Labour Relations (Public Service) Convention, 1978	2014
	C154 - Collective Bargaining Convention, 1981	2014
Vocational Training	C142 - Human Resources Development Convention, 1975	1989
Labour Administration	C150 - Labour Administration Convention, 1978	1988
Employment policy and promotion	C159 - Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983	1989
Seafarers	C185 - Seafarers' Identity Documents Convention (revised), 2003	2016

Note: Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Equivalent to basic human rights at work.

Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions that promote a well-regulated and well-functioning labour market.

In addition, there are 71 conventions, which ILO considers "up-to-date" and actively promotes.

Out of 61 Conventions ratified by Tunisia, 53 conventions are in force, 6 conventions have been denounced; and 3 have been ratified in the past 12 months.

Source: [ILO, NORMLEX, Country Profiles](#)

Table 24: List of central social protection programmes and their status in Tunisia

Programmes	Status
Back-to-School Education Benefit	The Ministry of Education implements the Back-to-School Education Benefit (BTS), a cash transfer programme that supports poor students at the beginning of the school year. In 2014-2015, approximately 373,000 pupils and university students benefited from this transfer.
Free Medical Assistance	The broadest non-contributory social protection programme with the widest coverage is Free Medical Assistance (AMG), which grants reduced fees (AMG II) or total exemption of fees (AMG I) of health services at public health centres since 1998. In 2016, AMG II covered 620,000 Tunisian households.
National School Meals Programme	The National School Meals Programme was launched in 1997 and provides healthy food to improve the nutritional status of children, stabilise school attendance and prevent drop-out – especially in rural areas. In 2016, 240,000 children were covered.
national assistance programme to vulnerable families	Coverage of the national assistance programme to vulnerable families has been expanded (from 250,000 to 285,000 families) and its benefits levels have been increased. Besides, the authorities are improving access to medical care for the less well-off and registered 600,000 households in a database that will facilitate the targeting of social policies. ¹³¹

Table 25: Ease of Doing Business Ranking and changes in Tunisia, 2020

Topics	2020	Changes in score (% points) from 2019 to 2020
Overall	78	+1.5
Starting a Business	19	+6.1
Dealing with Construction Permits	32	+0.3
Getting Electricity	63	-0.1
Registering Property	94	+1.0
Getting Credit	104	-
Protecting Minority Investors	61	-
Paying Taxes	108	+7.2
Trading Across Borders	90	-
Enforcing Contracts	88	-
Resolving Insolvency	69	-1.0

Note: Doing Business 2020 indicators are ranking from 1 (best) to 190 (worst) among other countries. The rankings tell much about the business environment, but do not measure all aspects of the business surroundings that matter to firms and investors that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

Source: [World Bank, Ease of Doing Business 2020 in Tunisia](#)

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