

Workshop on innovative Social Assistance Strategies in
Poverty Alleviation
12-14 December 2011
Ankara, Republic of Turkey
“The Fight Against Poverty in Tunisia”

Tunisia has a number of achievements that we could capitalize in particularly in the area of the fight against poverty and improving social indicators with the national effort to promote human capital and the basis of a competitive and efficient economy.

I) The Reality:

This policy is implemented by a range of state interventions including:

- The implementation of a social safety net
- The consolidation continues to limit the negative impact of economic openness on vulnerable populations.

This is illustrated by the allocation of 60% of the state budget to social sectors and 20% of GDP to social transfers and food subsidies.

A considerable decline in the rate of extreme poverty from 6.2% in 1995 to 3.8% in 2005 and the vulnerability rate of 14.9% in 1995 to 7.6% in 2005 .

Thus, the main results achieved at the end of 2010 are as follows:

- Strengthen the rights of the hard core of poverty in access to income support and health care through successive increases in the number of permanent

recipients of aid that has evolved to 113.800(one hundred 13 thousand and eight) recipients in 1990 to 135,000 (one hundred thirty five thousand) families in end of 2010.

Health coverage has followed the same process as the number of families of free health care rose from 150,000 (one hundred and fifty five thousand) in 1999 to 170,000 families by the end of 2010 and the care at reduced rates of 500,000(five hundred thousand families in, 1999 to 548,000 families in end of 2010.

- Diversification of the mechanisms of economic integration and improvement of living conditions like the National Solidarity Fund, regional Development programs, the Tunisian Bank OF Solidarity, the System of micro-credits granted by associations and exceptional recruitment in the public sector targeting graduates from needy families.

However, despite these benefits, and progress in the fight against poverty towards the goals of the millennium Development Goals, the country faces high unemployment and significant regional differences and social inequalities that are result of an inequitable sharing of wealth, forms of social injustice affecting vulnerable and low use of existing regional potential.

Overall, the coastal areas are better off than areas of West and South in terms of infrastructure and concentration of economic activity, since they receive

65% of public investment and the establishment of 88,2% of businesses and nearly 95% of foreign companies.

These differences also concern the following indicators:

- The rates of poverty and vulnerability vary greatly between the Center West recorded rates of respectively 12.8% and 16.4% against the respective rates of 1.2% and 4.2% in the Middle East and an average National 3.8%.

This rate also differs between the two environments; it is 7.1% in rural areas against 1.9% in urban areas.

- The unemployment rate for graduates ranges from 31.3% to 47.7% in 10 governorates concentrated in the South, the northwest and central west, against national unemployment rate of graduates of 23.3%.
- The medical density is 2204 (two thousand two hundred and four) inhabitants per doctor in central west against a national average of 800 inhabitants per doctor.

In terms of human development index and despite the advanced class of Tunisia by occupying the 98th place out of 182 countries, the deficit of the Human Development Index adjusted inequality remains high. In 2010, the deficit is 25% against levels between 6% and 15% for developed countries.

To meet the challenges which the principal are to stem the economic and social structural fractures , reduce poverty and regional disparities and creating decent

work opportunities the interim government has implemented in the economic recovery program and social measures relating to:

- Increased job creation
- Promote regional development by implementing a set of public projects to strengthen the basic infrastructure in the regions and strengthen mechanisms for pulse employment.
- The consolidation of social actions to meet the pressing demands of the poor population to enjoy a decent standard of living, minimum income and access to free care.
- The actions taken within this framework are intended to cover all the poor by increasing the number of permanent recipients of aid 50,000 families in 2011(70% allocated to deprived areas) and free health care for 25,000 families to reach respectively a total of 185,000 families and 195,000 families.

Other recommended reforms to strengthen the institutional framework, transparency and improvement of living conditions of people through:-

- The revision of the texts that organize the system of permanent aid by establishing clear and transparent criteria and involving an organization that defends human rights in commissions for granting permanent help.

- The establishment of a program covering a range of local social services in the most deprived areas and the creation of a system of periodic evaluation to reduce geographic barriers to access to public services with the participation of local associations of citizens and public service delivery of health, education and welfare.

II) The perspectives:2016-2016

The strategy of economic and social development 2012-2016 transmitted to the next Government for operation contains:

Short-term actions

1. Stimulation of economic activity;
2. Immediate introduction of reforms to improve governance at central and local levels;
3. Mobilizing additional external funding

The development strategy

Ten Big Ideas for the period 2012-2016:

1. Building trust through transparency, social responsibility and Citizen Participation
2. Ensure inclusive development and balanced
3. Transform the structure of the economy through science and technology
4. Create an internal dynamic conducive to productivity, creativity and the free initiative
5. Open up the country and engage in a comprehensive global integration and active
6. Train and retain high national expertise, attract the best international expertise and enhance the employability
7. Spend social justice and equal opportunity
8. Ensure adequate funding and sustainable development
9. Cleaning up the public service and civil
10. Optimize use of resources and the environment.

Five principles of action are defined:

- 1) The State is the principal regulator and catalyst for development in the context of a republican and democratic approach. It shall promote economic development and equitable social respecting individual freedom and equality of opportunity and promoting social cohesion.
- 2) Free enterprise is the main driver of economic development. Wealth creation and employment depends on the strength of business leaders and developers, the performance of workers and membership and participation of both players in action and in the development process.
- 3) Individual freedom and social justice are the foundation of progress, that only cooperation between social actors in the public debate and the search for social compromise can reconcile the requirements. The Government should initiate, facilitate and promote cooperation.
- 4) Education, culture, health and welfare, as an element of individual freedom, the mainstays of the society and guarantee social cohesion, social goods are inseparable from economic and social development. The society must provide access free, equal and fair for all citizens. The State must use all means at its disposal to reduce the social contingencies that limit access of the poor to such property.

5) The Society shall ensure the proper use of resources, means and opportunities. The Government must take regulatory action and motivation to promote that end.

The growth pattern

The development strategy is based on a pattern of growth and global and sectoral policies. This pattern holds for the five years 2012-2016, the objective of achieving an average growth of 6.3%, reaching a per capita income of 9746 dinars and create additional jobs of which 500 000 ,300 000 for graduates than to reduce the unemployment rate to 10.5% in 2016.

The public sector will be responsible for creating 100 000 jobs, mainly in 2012-2014, pending the acceleration of job creation by the private sector. If the conditions for a more rapid recovery are met, the number of creation can be as high as 575,000 and the unemployment rate is still down 2 points to be reduced to 8.5%.

The pattern consists of three phases, **emergency, transitional and emerging:**

1) Emergency: meet short term needs over the remaining months of 2011 and 2012, in terms of support to the regions and employment, business support and welfare and restore the balance economic and financial preparation for the next phase.

2) Transition: resume a growth rate above 5% while approaching 6% in the years 2013 and 2014, through the use of a special catch-up effort and commitment to comprehensive reforms affecting different areas political, economic and social.

3) Emergence: initiate a process of convergence with the developed countries from 2015, targeting levels of growth above 7%.

The economic objectives of the scheme involves three requirements:

- Increasing the share of activities in high content of knowledge and technology to GDP to 30% in 2016 and the share of goods and services in high-technology exports to 50%.
- The doubling of exports of goods and services to approximately 60 billion dinars in 2016, raising their contribution to growth over 40% at the end of the period and the tripling of foreign investment to reach a total volume of 21, 9 billion dinars, representing 5% of GDP on average.
- The increase in investment to unprecedented levels. The total proposed amount to 125 billion dinars, of which 50 billion for regional development areas. It is divided between 50 billion dinars of public investment and 75 billion dinars of private investment. Financing needs are estimated at about 150 billion dinars. The financial balance is based on strengthening of national savings to 25.8% of gross national disposable income in 2016 and cover 70% of funding needs during the period 2012-2016. In this context, the pattern calls for limiting the budget deficit of the state to 4% of GDP

and current account deficit to 5% of GDP on average, bringing respectively 3% and 3.1% in 2016. This would, despite the pressures to maintain the public debt below 40% of GDP and external debt below 40% of gross national disposable income.