

The Social Protection System

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Tunisia

Preamble

When examining the development of humanity through contemporary history, one finds that there is a general agreement on the necessity to recognize and enhance economic and civic rights, along with social rights in order to protect the members of society from threats to human life.

Society has become aware that civic and economic rights are of no less importance than social rights.

For this reason, the social protection network does no longer target workers and categories living in extreme or complete poverty, but it takes into consideration other essential needs such as the necessity to provide stable and permanent jobs, to guarantee good education, decent housing and the right to live in healthy environment and to participate in political, economic and social life.

The widespread definition of the concept of social protection, which is also adopted by the International Labour Organization (ILO), relies on the following 11 approaches: sickness and health, disability, aging, death, motherhood, family and children, unemployment, work accidents and occupational diseases, housing, active policies to provide jobs, general protection against poverty and social marginalization.

It is also usually agreed that social protection is based on three axes:

1. Social security, which covers health insurance, aging, death, disability and unemployment.
2. Social transfers, which cover health, education and vocational training fields.
3. Social assistance consisting in a range of programs developed by the government and civil society to improve living standards and conditions, especially for vulnerable and marginalized categories and to reduce poverty and unemployment rates and regional disparities.

1. General situation in the country and its impact on social policies

1-1. Social protection position in Tunisian state policy:

Since independence in 1956 and until the revolution of January 14, 2011, social protection has been given an important position in the Tunisian state policy. The various governments have allocated an important share of national income to economic and social development, in particular to improve citizen living conditions and to provide health care.

Improving living conditions:

- Adoption of the policy of free and compulsory education: Figures show that until 2008, the schooling rate amounted to 99.2% for children in the age of six, and to 99% for children aged 6 to 11 years old.
- Promulgation of the personal status code in 1956: texts embedded in this code have enabled a qualifying policy for the role of women which represented an unprecedented progress in the Arab world (banning polygamy and forced marriage, setting 18 years as the minimum age of marriage for women, and mainly establishing the principle of gender equality).
- Setting a revolutionary and ambitious family planning program to reduce the growing proportion of births.
- Price increase monitoring program (compensation fund) to help the poor class and low-income families.
- Literacy program which has decreased illiteracy from 84.7% in 1956 to 22.9% in 2004, for the age group 10 years and above.
- Elimination of huts and tin construction. In 2008, this type of construction has represented only 0.8% of the total built structures.
- Supplying electricity and drinking water in more than 90% of the Tunisian territory. In 2006, electrical light supply rate reached 98.7% and drinking water supply 91.6%.

Health sector:

- Elimination of several infectious diseases:
- Significant increase in life expectancy indicators at birth, from 67.4 years in 1987 to 74.3 in 2010.
- Decrease of child mortality from 51.4% in 1985 to 21% in 2010.
- Decrease of maternal mortality ratio at birth, from 69 cases for every 100.000 new births in 1994, to 35.5 cases in 2010.
- Medical examination rate for pregnant women before giving birth has improved from 72% of pregnant women in 1987 to 96% in 2010.
- Increase in birth therapeutic coverage rate to reach 96%.
- Improved health coverage, as the number of medical doctors increased from one for every 2110 inhabitants in 1987, to one medical doctor for 865 inhabitants in 2010.
- Increase in children vaccination rate against epidemic diseases, measles and other infectious diseases to more than 98% ¹.

Human development approaches adopted by the Tunisian state during the last 40 years and before 2011 can be measured based on the human development index (HDI) which is a general tool used to measure development according to three dimensions: health, education, income, autonomy indicators and other indicators related to environment, security and decent work².

In 1980, the human development index was equal to 0.436 then a continuous increase was recorded during the following 30 years to reach 56% (with an annual increase rate of 1.5% which is higher than the average rate in Arab countries that is around 0.593).

The Human Development Index value in Tunisia for 2010 (0.683) makes the country ranked 81 among 169 states with the same specificities, and

1- Source : SP systems effects on the achievement of MDG objectives: case of Tunisia

2- Source : UNDP study «synthesis note of the global report on human development, 2010

therefore described as a “state with advanced human development”.

Human Development Index evolution³ :

Year	Tunisia	Arab countries	World
1980	0.436	0.396	0.455
1990	0.526	0.470	0.526
2000	0.613	0.525	0.570
2005	0.650	0.562	0.598
2009	0.677	0.583	0.619
2010	0.683	0.588	0.624
Development rate 1980-2010	56.6%	48.48%	37.14%

The Human Development Index (HDI) does not give a clear picture of regional differences in the same country and does not reflect gender inequality in a given society. Therefore, in order to learn more about the characteristics of different communities and to consider and understand these dimensions, new indicators have been adopted, including:

- Inequality-adjusted Human development Index (IAHDI) which allows detecting human development gaps resulting from inequality in health, education and income.
- Gender Inequality Index (GII) which reflects the importance of gender in health, reproduction, autonomy and activity development ratios.
- Multidimensional poverty index (MPI) which completes income-based indicators (monetary indicator) taking into consideration health, education and living standards gaps.

It should be noted that in 2010, the Inequality-adjusted human development index (IAHDI) was estimated at 0.511, which represents approximately a 25% decrease in Human Development Index (from 0.683 to 0.511),

3- Source www.social.gov.tn : Social portal: UNDP study «synthesis note of the global report on human development

and underlines the importance of inequality in Tunisia, at the regional or social levels.

We also point out that the gender inequality index (GII) in Tunisia is estimated at 0.515 which makes it ranked 56 on 148 countries based on the data for 2008 (34% of adult women have a secondary or higher education level against 48% men, and only 28% of women participate in the labour market against 74% men, and only 9.19% of parliamentary seats are for women).

Despite all efforts for women's liberation, and all the texts recognizing gender equality, the gender inequality index is still high. Contrary to prevailing ideas, the legal framework contains gaps and is therefore not sufficient to establish full gender equality.

Concerning the multidimensional poverty index, it is estimated at 0.010 in Tunisia, 0.139 in Morocco, 0.010 in Jordan, and 0.026 in Egypt. It should be noted that 2.7% of the Tunisian society suffers from multiple aspects of deprivation and 4.9% live in vulnerability.

As for the post-revolution period, there are no estimates given the difficulties and imbalances that the country has been through during the last four years.

Despite the fact that social protection plays a role in calming societies in crisis, countries usually reduce their social programs in such cases. Besides, the economic crisis leads to reviewing the Social charter which depends on state intervention for the redistribution of wealth, added to the pressure exerted by international donors and banks which impose on the states to play a less important role in injecting money for compensation funds.

We also observe that social transfers and social security, given their institutional nature, are not likely to collapse even for a short period of time. However, social aids and mechanisms are affected by the fragility of economic and political stability. Therefore, without strong political will, human development indicators are threatened.

In the recent period in Tunisia, in spite of the increasing poverty, unemployment and the rising cost of living, we have observed an insisting will

and determination to reduce the state role in injecting money in compensation funds, which may also lead to abandoning social programs and charter.

1-2. Social protection funding

Social security is financed by the contributions of employers and employees. However, social aids are funded from the state budget, civil society, individual donations, companies and institutions, regional and global funds. Social transfers are ensured from the state budget.

1-2-1. Social transfers

In 2008, the state has allocated the equivalent of 3% of GDP for health expenses⁴ and more than 6.3% of the GDP for education, which is higher than the average expenditure allocated by OECD countries for education⁵.

1-2-2. Social security

In Tunisia, it has represented 8% of the GDP in 2011.

The coverage rate has reached 34.81% in 2011.

1-3. Social protection priority in national policies

Since the independence and until the popular revolution of January 14, 2014, protection was one of the state priorities. However, today the country is facing important changes in its history, and is obliged to start a process of radical reforms which usually leads to a decrease in growth rates, especially if coupled with a period of democratic transition.

In fact, since January 14, 2011, the Tunisian society has suffered from high poverty and unemployment rates, and questions have been strongly raised around liberties: the freedom of women, of belief and expression. All these

4- WHO/Tunisia

5- www.who.int ; www.ups.ac.fj/worldbank note de politique sectorielle sur le financement de l'enseignement. et. <http://databank.banquemondiale.org/data/views/reports/tableviews.asp>

issues have been exacerbated by insecurity and by the emergence of terrorism.

As a result of these factors, added to the financial crisis, social protection was no longer one of the basic state priorities. In fact, the state was unable to fund social programs especially with the pressure exerted by international donors within the framework of economic restructuring programs.

2. Specificity of social protection systems and programs

2.1 Social security

2-1-1. Systems

Social security systems in Tunisia provide:

- Health coverage which gives citizens the possibility to recover the costs of treatment, or to provide coverage for employees, retirees and their family members.
- Retirement pension, widow allowance, and temporary allowances for orphans, the elderly and in death cases.
- Family allowances,
- Compensation allowances (maternity, sickness...)
- Some allowances for categories of employees and their families in case of interruption of professional activity due to illness or death,
- Protection to face work accidents and occupational diseases.

It also contributes in funding social programs such as the program of assistance to needy families, in addition to the injection of money into the public health budget with the possibility of loans for contributors.

It is important to point out that in Tunisia there is no unemployment allowance system, despite the increasing number of jobless, especially among youth and graduates (In a consultation carried out in 1996, the International Labour

Office has advised the Tunisian state not to opt for a long-term unemployment allowance). However, the state has set up an Active Employment Plan (PAE) which ensures employment incentives and short-term allowances.

Social security is managed by three funds:

- National pension and welfare fund (CNRPS), which manages the retirement, disability and death capital system for public sector employees.
- National social security system (CNSS), which manages the retirement, disability and death capital systems, and social assistance for private sector employees.
- National Health Insurance fund (CNAM), which manages the health insurance system, work accidents and occupational diseases.

In Tunisia, social security systems differ according to the categories of salaries and professional sectors and to the public or private sector, except the health insurance system which became unified since 2004.

2-1-2. Social protection system beneficiaries:

Social protection includes almost all professional categories: Employees in the public and private sectors, freelancers, farmers and workers in agriculture, housemaids, seasonal workers, artists, intellectuals, fishermen, etc...

Social security system beneficiaries in the public sector:

- Permanent, temporary, seasonal and casual workers in the public sector.
- Members of parliament, members of the former house of Councillors, members of government and governors.
- Employees of industrial and commercial companies and independent professions and professional groups, civil society, trade unions, associations, agents of the united nations, the

Arab league and specialized institutions, such as diplomatic missions and all institutions under international law (according to rules and conventions).

Beneficiaries of social protection systems in the private sector:

- Workers in agriculture
- Fishermen
- Non-salary workers (such as Turkish bath workers, taxi drivers with professional card).
- Tunisian workers abroad who do not have a agreements with the hosting country.
- Students and interns
- Housemaids
- Employees of local institutions and public institutions of administrative nature which do not have a social security system.
- Fishermen who are not covered by the fishermen system.
- Farmers investing in their own business and self-employed handicraftsmen.
- Artists, creators and thinkers.

2-1-3. Services provided

a. Health care

Health insurance services cover ordinary and long-term diseases (listed serious and chronic diseases). They also cover prosthesis and transport expenses in case of travel for medical treatment or surgical operations, blood dialysis, scanning and Magnetic resonance imagery, thermal therapy and rehabilitation.

b. Maternity

Healthcare for pregnant women is part of the health insurance system. However, there is a maximum amount to cover birth costs.

c. Family allowances

Family allowances are provided for under-age children (3), and an additional allowance is provided for single-income families (in the private sector).

Non-salary workers in sectors other than agriculture do not benefit from family allowances.

d. Basic income insurance

The Tunisian state and social security systems provide a minimum wage for low-income workers: workers in sectors other than agriculture (SMIG), minimum wage in agriculture (SMAG), minimum pension for retirees (MG) amounting to 2/3 of the SMIG, and an elderly allowance of 50% for those who have worked during less than fifteen years.

Compensation allowances are also granted for sick or maternity leaves for pregnant women. However, unemployment aids and allowances are not general and require several conditions.

e. Retirement systems

Retirement systems are compulsory and are based on the principle of solidary repartition between generations, to ensure retirees, widows, and orphans wages, and an amount of money at death.

f. Work accidents and occupational diseases

The work accidents system was first established in 1921 and covers 3 risks (work accidents, accidents that may occur to workers on their way to the workplace, and listed occupational diseases).

2.2 Social assistance

Social assistance has different aspects including:

- Monetary benefits
- In-kind benefits
- Healthcare benefits

- Basic products subsidy program
- Living conditions improvement program (sanitation and rehabilitation of popular districts)
- Specific programs targeting people with specific needs
- Job creation or employment assistance programs

2-2-1 Monetary benefits

The national program for assistance and support to needy families is considered one of the most important programs giving the possibility to obtain monetary benefits. It was established in 1986 by the government. This program provides low-income families with allowances every three months, calculated on a specific basis.

The number of families benefiting from this program has reached 114534 families in 2004 (68% of the elderly and 3.17% of the disabled, the total cost of this program has reached 5.59 million dinars). This amount includes half of citizens living under the poverty ceiling.⁶

After the revolution of January 14, 2011, the aids allocated to needy families have increased to 210 dinars every three months (30 dinars are added to this allowance for every dependent child with a maximum of 3 children). After the aggravation of poverty the number of beneficiaries from this allowance has reached 230 thousand, knowing that the majority of beneficiaries are old⁷.

2-2-2. Occasional in-kind grants

Mainly drugs, school and food necessities, and other.

In-kind aids are most often provided by the

6- ILO investigation

7- Ministry of social affairs. International conference : Justice and the fight against exclusion and poverty in Tunisia (September 2011

civil society and different assistance and support programs and funds for needy families and individuals who face the risk of being dismissed or marginalized.

Among the most important non-governmental organizations working in this field we have the national union of social security, which collects donations consisting in equipment, funding, drugs, school necessities and distributes them to needy families. In the first four months of 2011, the union (through the voluntary medicine bank) has distributed important drugs quantities with a total amount of 175 thousand dinars for 134 health institution, 28 health caravan, and 9 associations. Food products and blankets with a value of 710 thousand dinars have been provided to several needy families.

B. School benefits and aids for religious feasts

The national program of assistance and support to needy families provides also school benefits and aids in religious feasts. It also distributes school books (428826 school books have been distributed to needy pupils and students during the school year 2004-2005 with a total amount of 12.4 million dinars. Besides, 360 thousand benefits have been distributed to low-income families, with a total amount of 1.2 million dinars).

The Tunisian Union of Social solidarity is in charge every year of 10500 children in pre-school phase and belonging to low-income families, in 230 social education centers.

The regional commission of social solidarity also participates with charity associations and members of the civil society in several punctual social assistance activities in different ways, especially during the cold wave period and for the organization of collective meals during the month of Ramadan.

2-2-3. Healthcare benefits

The national program for assistance and support to needy families provides free or low-cost healthcare services to needy or low-

income families which are not subscribing in the social security system, in public health structures. The number of beneficiaries from healthcare cards was 17100 in 2004 and 821575 in 2012 (including 243675 free healthcare cards and 577900 for a minimum cost).

2-2-4. Basic food products subsidy system

The basic food products subsidy system was created in 1945 with a Bey order. In 1970 the general subsidy fund was created.

This fund is mainly supplied from the state budget and in particular from oil products and alcoholic drinks royalties.

These state-subsidy products include cereals and by-products, milk, vegetal oils, sugar, imported red meat, corn, soya, paper used in school copybooks, tea, and coffee.

After the economic crisis and the important increase in global prices, mainly concerning production, and with capitals pressure, the successive governments have tried to remove progressively subsidies on some products (such as sugar), and in 2010 the list of products subsidized by state was limited to cereals, vegetal oils and milk.

Following the popular protests of January 14, 2011, half-skimmed milk, sugar and tomato paste became state-subsidized.⁸

Subsidy rates evolution from GDP

Year	2011	2010	2009	2008
Subsidy rates	1.87%	1.18%	1.36%	1.89%

8- www.commerce.gov.tn

2-2-5. Measures and programs targeting people with specific needs :

The state has established several measures and programs for people with specific needs, including the national solidarity fund, regional development funds and the support of civil society.

- National solidarity fund

It is a state institution in charge of collecting money for public investments aiming at fighting poverty. The fund represents about 1.0% of the GDP in Tunisia and is known by its current postal account number 26-26.

The main objectives of the national solidarity fund is to free poor areas from marginalization and to improve citizens living conditions in these regions, by ensuring an economic basis through projects providing sustainable revenue for people.

During the last 13 years the fund has collected 857 million dinars including 50 million dinars from the state budget in the period between 1993 and 2007.

The fund has also enabled the realization of 1817 projects in poor areas benefiting to 12.5% inhabitants (4538 km of roads and paths, 164520 houses including 25 thousand house improvement for a total amount of 212.729 million dinars, 81762 families connected to the drinking water network, 71681 families connected to electrical energy or solar energy, and 61499 sources of income until 2000, in addition to building schools and basic health centers, cultural and entertainment centres for children.

The fund's interventions have concerned 242 thousand families during the period 1993-2006 distributed in 1800 poor regions which represents about 1.2 million Tunisian citizens.

- Regional development programs

These programs focus on infrastructure, employment, and improvement of living

conditions in urban and rural areas.

These programs have implemented and developed 199 deep wells, 5490 surface wells and 9300 hectares of irrigated areas, 78400 hectares of public and private pastoral areas, 73000 hectares of fruit tree plantation. 6 fishing harbours were built, water and soil strengthening works carried out in 89350 hectares, 3073 hectares of agricultural paths and 190500 rural families connected to the water network, and 29440 families in rural areas to the electrical network.

2-2-6. Employment promotion and income source creation program

In the absence of unemployment allowances, a practical employment policy was set in the period 1970-1980, through basic programs (Active Employment Policy). In 1999, Tunisia has created institutions in charge of its employment policy namely the Ministry of Employment and Vocational Training and its various structures.

Several structures and mechanisms have been set by the state in order to guarantee professional integration and to create economic activities such as the national employment fund 21-21, the integration and professional adaptation fund, the national fund to promote handicraft industries and small professions, the special agriculture development fund, and the regional development projects program.

Added to that, employment contribution programs have been developed such as the regional projects development program professional activity preparation programs...

To be consistent with global economy and the liberation of national economy, the state has developed a company creation promotion policy. In this context, the Tunisian Solidarity bank has been created. This policy aims at integrating beneficiaries in the development process by financing small projects. The Tunisian Solidarity Bank finances small projects for the benefit of individuals with professional and scientific competencies who do not have collaterals. Hence, 160000 projects have been funded in 7 years.

In the same context, in 1999, associations got the permit to provide loans to individuals belonging to needy families and to weak categories.

After the revolution of January 14, 2011, and in order to calm the situation down, the government has decided to set the 'AMAL' program which provides unemployed individuals having Tunisian nationality with a monthly allowance of 200 dinars, added to medical coverage for a maximum period of one year.

3. The legal framework of social protection :

3.1 In international legislation

Social protection systems have national specificities as they rely on the state budget and social conditions. They take into consideration public policies, markets and demographic growth.

If we add to these specificities the lack of resources and absence of strategies in this field, we find the reason why several countries including Arab nations, did not ratify international charters and conventions, even the basic ones.

These international standards of social policies appear as a necessity according to the increasing globalization and internationalization, however despite their importance, they often do not fit with the reality of countries, in particular those that do not have a satisfactory social protection.

The International Labour Organization (ILO) adopted 189 agreements, 5 protocols, and 202 recommendations. Tunisia is an ILO member since 1956 and has ratified 58 agreements and 1 protocol.⁹

The ratified agreements include fields of social security, social policies and freedom of associations and employment policies...

It is worth pointing out that Tunisia did not ratify the C102 convention of 1956 which is one of the most important conventions on the classification

9- www.ilo.org/dyn/normlex/f2
NORMLEX : information System on International Labour Standards

of social security branches and areas and its minimum levels.

However, Tunisia has decided to take into consideration the basic recommendation (202) adopted by the World Employment Forum in 2012 which urges the member states, according to their national context, to establish and maintain a social security system providing minimum lifelong services to all individuals needing them, minimum health coverage and wage.

Eventhough it did not ratify the conventions on migrant workers C143, C097, Tunisia has signed a bilateral agreement to guarantee the right to social security.

Besides, it did not ratify the C155 agreement yet, on protection and health in the workplace.

3.2 National legislation

The Tunisian society has seized the opportunity of the new constitution in 2014 to seek the constitutionalization of social, economic, and cultural rights and the right to social protection.

This constitution guarantees the following:

- The State seeks to achieve social justice, sustainable development and regional balance (Chapter 12).
- The right to health for every human being. The state guarantees prevention, healthcare and provides the necessary means to ensure the safety and quality of health services, the state guarantees free healthcare for needy and low-income citizens, and guarantees the right to social coverage as per the law (Chapter 38).
- Compulsory education until the age of sixteen (Chapter 39).
- The State's guarantee to protect, support and develop women's rights, and to achieve parity in elected assemblies (chapter 46).

The constitution also guarantees unions rights, the right to work, the rights of children and people with disabilities...

4. Social protection reality

4.1 Social coverage development

In figures :

Number	Year
1637607	2001
1712751	2002
1794942	2003
1900477	2004
2002106	2005
2132008	2006
2287329	2007
2447799	2008
2595274	2009
2732426	2010
2789558	2011

The number of social coverage beneficiaries has increased by 62.8% in 10 years.

In percentage:

The analysis of developments shows that sectors benefit from social security at different degrees. For the public, industrial, commercial, and service sectors this coverage is almost universal. We observe that the high coverage rates concern the old and mature systems (public sector 1959 and agriculture 1961).

Concerning the recent systems which concern rural communities, they do not have a social protection culture, making voluntary integration more difficult.

Development of coverage rate¹⁰

Content	2007	2008	2009	2010	2011
Private sector	65.08	68.58	71.97	73.67	76.68
Public sector	100	100	100	100	100
Coverage rate	%72.05	%74.75	% 77.51	78.86%	81.34 %

The coverage rate has reached 81.34% in Tunisia, but the actual coverage does not reach 50% in particular for low-income citizens, and that due to informal trade and the increase of low-quality and unstable contracts that do not provide sufficient social protection.

4.2 Repartition by categories and branches

Evolution of the labour force and the number pension beneficiaries.

Year	Number of active members	Retirement	Old	Widows	Orphans	Total	Demographic indicator
2001	1637607	285186	10398	113353	72095	481032	4.0
2002	1712751	301997	11120	121476	76706	511299	3.9
2003	1794942	319351	11957	129439	85885	546632	3.9
2004	1900477	338341	12807	137147	92080	580375	3.9
2005	2002106	358817	13857	145821	97220	615715	3.9
2006	2132008	381967	10121	153960	98366	644414	3.9
2007	2287329	404291	11342	162350	92984	670967	4.0
2008	2447799	424970	12829	170682	96760	705241	4.0
2009	2595274	445533	15009	180737	100273	741552	4.0
2010	2732426	467380	16219	187580	100505	771684	4.1
2011	2789558	485158	16034	192958	105035	799185	4.0

The evolution of the number of individuals benefiting from pension (66%) is higher than the evolution in the active labour force(62.8%).

10- Since 2011, a new calculation method was adopted (number of declared employees/number of active inhabitants)

4.3 Contributions rate by system

The rate of contributions in the public sector for 2011

Content	Employer %	% Employee	Total
Retirement system			
Public system	12.5	8.20	20.70
Members of government and parliament, councillors and governors	20.50	13.20	33.70
Welfare system			
Compulsory			
Active	4.00	2.75	6.75
Retirees	-	4	4
Compulsory optional system			
Active	4.00	2.75	6.75
Retirees		4	4
Death capital system			
Active		1	1
Retirees	0.50	0.50	1
Total (public sector)	16.50%	11.95%	28.45%

Contribution rate in the private sector in 2011

Total	Employee %	Employer %	Content
25.750	9.180	16.570	wage system in non-agriculture sector – public sector
12.290	4.570	7.720	wage system in the sector of agriculture
19.470	6.990	12.480	wage system in the developed agriculture sector
14.710	-	14.710	workers system in both agriculture and non-agriculture sectors
13.300	-	13.300	Tunisians abroad
7.500	2.500	5.000	Some workers categories in in agriculture and non-agriculture sectors
14.710	-	14.710	artists, creators and intellectuals system
9.000	3.000	6.000	omplementary retirement system
	5 dinars		Students system

In 2011, contribution rates have reached 20.7% for the retirement system in the public sector, and 25.7% in the private sector for the wage system. Concerning health insurance contributions, it has reached 6.75% for the active labour force and 4% for retirees.

These rates seem logical compared to other countries.

4.4 Benefits size by branches

Evolution of the size of services provided by social security funds

Services	2006		2007		2008		2009		2010		2011	
	Amount	%	Amount	%								
Health coverage	1880.3	69.0	2112.6	70.5	2372.1	69.1	2634.0	66.7	2974.4	67.2	3410.1	66
Other costs	8.575	21.1	643.7	21.5	794.7	23.2	1037.0	26.3	1141.9	25.8	1405	27
Total amount of services	270.2	9.9	240.4	8.0	266.0	7.7	277.8	7.0	310.5	7.0	358.1	7
	2726.3	100	2996.7	100	3432.8	100	3948.8	100	4426.8	100	5173.2	100

Pensions represent 66% of the total size of services.

4.5 System balances and perspectives

Retirement systems in both the private and public sectors suffer from financial deficit amounting at 211 million dinars for the private sector in 2010, and 83 million dinars for the public sector in the same year. However, concerning the health insurance system, its deficit has reached 102 million dinars.

It is worth pointing out that the national social security fund and the national health insurance fund have achieved an overall financial balance in 2010, thanks to the surplus provided by the family allowance system (164 million dinars), and the work accident and occupational disease system (111 million dinars).

However, concerning the retirement and welfare fund, it suffers from lack of cash flow.

4.6 Gaps and challenges

4-6-1. Main issues

Financial deficit is one of the main problems in social security, and if appropriate measures are not taken rapidly, this balance will certainly fail on the short term.

The three funds have recorded in 2013 a financial deficit of 70 million dinars for the social security fund and 50 million dinars for the health insurance fund. Concerning the retirement and welfare fund, it is still borrowing from the state in order to provide pensions.

As for social allowances and assistance, the problem is the lack of resources and the absence of clear state strategy in this field.

4-6-2. Explaining the social security funds crisis.

Tunisian retirement systems have entered a deficit stage that could be described as systematic. This financial deficit results from development reasons, including:

- Life expectancy improvement
- Aging (despite the youth of Tunisian society)

- Obsolete systems

- Late integration in the labour market

- Decrease in labour force/retirees indicator

This deficit has increased due to the following reasons:

- the age of retirement is 60 years old since the independence, even though life expectancy has increased by about 19 years, added to early retirement (representing 58% of retirement in the public sector).

- increasing the burden of these systems with social and economic decisions and measures, such as optional early retirement with pension, life-long allowance to orphan girls with no support...

In addition, we observe contributions payment issue and the low number of employees declared by companies. This issue has worsened after the revolution due to law enforcement laxism (the state and trade union organizations turn a blind eye in order to provide more jobs.)

All these factors decrease the funds revenues in particular for the social security fund. This income is also negatively impacted by the increasing informal economy, unemployment, and unstable contracts.

4-6-3. What are the problems?

The funds deficit has been expected since 1985, but governments did not seriously face difficulties, and did not take the adequate and difficult measures, which has made the situation worse.

In 1995, the state has started taking some limited initiatives, increasing contribution rates, reconsidering early retirement conditions and increasing retirement age for personal reasons from 50 to 55 years old, after 30 years of professional activity.

These measures only inflate the funds resources

for a short period of time. The decision to undertake a deep and comprehensive study which guarantees the sustainability of social security funds was only taken in 2006.

Concerning the health insurance system, the national health insurance fund has initiated in the recent years a study to assess this system in collaboration with the Tunisian social security research and study centre (CRESS). The findings of this study will be examined by the high institute of health insurance.

However, most studies were not comprehensive, and the different dimensions on which social protection systems depend, such as employment, housing, and health policies, demographic and economic choices were not properly covered.

It is worth pointing out that until today, and despite several discussions between social and political parties, no measure to change or reform these systems was ever taken.

In order to face the deficit of social security systems, and to establish its sustainability on the long term while improving coverage and the level of service, a prospective, deep and comprehensive study must be carried out, with the contribution of all stakeholders, including the civil society, trade unions, and elites, with more experts in different fields including demography, actuarial, employment and human sciences.

5. Funding social protection

5.1 Development of social transfers

In 2008, social transfers have represented 19.35% of the GDP, and in 1987 it represented 18% of the GDP.

Tunisia is one of the countries which allocate the highest expenditure for education. It allocates 2% of its GDP for higher education, which makes it ranked first in the world.

5.2 Development of social security services

Year	2006	2007	2008	2009	2010	2011
Services	Amount	Amount	Amount	Amount	Amount	Amount
Total services amount	2726.3	2996.7	3432.8	3948.8	4426.8	5173.2
Service percentage of GDP	6.6%	7.6%	8.6%	6.7%	2.7%	8.0%

5-3. Evolution and repartition of contributions

The systems revenues come only from contributions, the state does not contribute in funding these systems except as employer. It rather uses its resources in order to finance development plans (financing the health budget, some social services such as student loans, employment promotion measures, funding retirement pensions for those dismissed for economic reasons...)

5-4. Evolution of social programs expenses and resources

Social programs are funded by the state, civil society, international donors, individual and institutional grants.

These programs are different, scattered and interrelated, extending over several years and with several parties, which makes counting them difficult, except for state-funded programs.

6. Future orientations

6.1 Coverage expanding perspectives

In many cases, Tunisia is considered a model, because of the comprehensive nature of its social coverage which concerns most working categories. However, with increasing unemployment (no unemployment allowance) and the multiplication of informal jobs and weak contracts that do not provide any social protection, the coverage rate decreases to about 50%.

Among the main problems hindering the extension of social coverage in Tunisia, there is the issue of informal work which has worsened after the revolution and where a solution is required in order to integrate this category under the umbrella of social protection.

There is also the issue of women coverage and the adequate protection which results from women marginalization in several fields, mainly in employment policy (women employment rate in Arab countries is one of the lowest, with 25%).

6.2 Perspectives of other social protection programs

The Tunisian state vision of social protection horizons are not determined for now, given the problems of terrorism, the economic and financial crisis.

In order to establish a clear long-term social protection policy based on the broad concepts agreed upon, most societal policies and options shall be determined, in particular:

- Employment policies in order to provide decent jobs to all and mainly to women who suffer from violent marginalization especially in Arab countries where there is the lowest women employment rate (25%).
- Economic policies which lead to human development along with economic development.
- Health policies to achieve decent protection for everyone with a focus on prevention as the first protection line...
- Wealth and resource repartition choices through a good tax policy aiming at achieving more justice.
- Housing options to provide decent housing for all.

It is also necessary to determine demographic options which are among the essential factors ensuring the sustainability of social systems, in particular for future generations (the aging development pattern of the population is worrying, as it is much higher than Europe's).

6.3 A summary of recommendations

6-3-1. Role of trade unions and civil society

UGTT (General Workers Union of Tunisia) has played a major role in all the important stages of

Tunisian history. It fought against colonialism and has actively supported the Tunisia revolution. It has also played an effective role in leading the national dialogue quartet in 2014, which has saved the transition process by correcting its path and orienting it towards democracy.

UGTT gives high importance to the issue of social protection which is an important factor in the stability and balance of societies.

Besides, important social security issues are studied in collaboration with UGTT which conducts prospective studies in the field (such as "situation and horizons of social security funds until 2030").

UGTT has representatives in all the administrative councils of social security funds. However, this representativity is not sufficient, as it is only 4 members out of 24.

6-3-2. Main reforms

The proposed reforms which are automatically repeated are the adoption of a higher retirement age and the increase of contributions rate. These propositions perfectly fit ILO's vision according to the findings of the study requested by the ministry of social affairs. This study has been presented to UGTT for comments.

The study proposes the following:

- increasing the age of retirement to 62 years in a first stage and 65 years in a second stage, as it would certainly help increasing the funds income and decrease their deficit.

This increase appears as a legitimate request given the increase in life expectancy; however several parties say that it would have a negative impact on the labour market despite the fact that several studies show the opposite.

- increasing contributions rate will certainly help enhancing funds resources, and therefore decreasing their deficit. This increase seems logical as the contributions rate is not considered high compared to other countries. However in the present context characterized by expensive

living and increasing unemployment rate, this proposition would be very difficult to implement.

Other measures, recommended by several civil society organizations, include:

- the necessity to review the pensions calculation,
- resource investment promotion,
- rationalize management.

Concerning the revision of pensions, it does not mean to decrease them necessarily as recommended by some social security specialists who did only take the economic aspect into consideration. Recalling that the objective adopted worldwide recommends improving coverage and the pension level which is moreover considered low in Tunisia.

Measures shall also be taken to avoid the collapse of social security systems. These measures include:

- Obliging companies to declare all their employees (after the revolution, these companies did not declare all of their employees using the pretext of providing more jobs.)

However, all these reforms are not sufficient to guarantee the sustainability and inclusiveness of social security systems in their broad meaning.

The economic and social pattern shall be reviewed and mechanisms need to be determined in order to have a fair distribution of wealth and resources by setting a good tax policy. In order to include most categories, in particular marginalized groups, the role of civil society and trade union organizations in decision-making and in the development of future policies, shall be strengthened.

6-3-3. Relationship between economic growth pattern and the social security crisis

Economic growth has certainly an impact on the situation of social security, as explained earlier (paragraph 2-4-6).

Some development indicators, such as the increase in life expectancy and population aging, have an impact on the financial balance of retirement systems. However, concerning the health insurance system, the increasing consumption of drugs and medical examination with demographic aging had also a negative impact on financial balances.

However, this impact differs according to the adopted pattern, in particular according to the societal choices to achieve human development.

The liberal economic model is considered an obstacle towards social security.

The neoclassical school economic experts consider social security one of the economic crisis reasons as contributions leads to an increase in wages, and this hinders recruitment and encourages informal work.

However, the Keynesian approach has an opposite view. It believes that social security, added to its role in guaranteeing social equality, it contributes in social cohesion.

The global economic crisis has changed social security concepts, giving it its real importance and position as a positive factor to reduce crisis and support political stability, which has urged the world bank to reconsider its policy to support countries in order to establish social protection instead of funding social projects and programs.

However, the World Bank policies are not different from the liberal vision that gives priority to economic considerations, and does not necessarily rely on a human rights vision of development.

It is important that the World Bank adjusts its choices, especially considering what happened in Tunisia and in an important part of the Arab world.

It is also important to point out that G20 has followed the same policy, relying on social protection as a basis for development in its post-

2015 program.

6-3-4. Role of civil society in these reforms

UGTT and the civil society play an important role as an observer of state policy.

The Tunisian independent civil society was an important engine to set the first steps towards democracy, and a counter-force obliging the government to review its policy that aimed at changing the Tunisians living style.

The efforts of UGTT and civil society's resistance, along with citizen awareness have lead to the adoption of a modern constitution that guarantees a civil state, women's rights, freedom of belief and independent judiciary. There is however still a long way to go to achieve social justice.

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