
TABLE OF CONTENTS

Foreword	v
Table of contents	vii
List of abbreviations	x
Executive summary	1
Chapter 1: Economic and labour market overview	11
Introduction: Tunisia at a crossroads	11
A. The economic situation in Tunisia	14
B. Labour market situation	22
C. Institutional crisis response	31
D. Concluding remarks	34
References	35
Chapter 2: Job creation and private sector growth in Tunisia	39
Introduction	39
A. Job creation and business environment	40
B. Constraints facing the private sector	50
C. Policy challenges	60
References	62
Chapter 3: Social protection in Tunisia	67
Introduction	67
A. <i>Background and institutions</i>	69
B. Social insurance schemes	71
C. Social assistance schemes	81
D. Challenges going forward	89
References	90
Chapter 4: Policy challenges for more inclusive growth	93
A. Improve mechanisms for social dialogue	94
B. Improving social protection: coverage and efficiency	101
C. Create jobs by reinvigorating the private sector	109
Annex A	117
References	119

LIST OF FIGURES

Figure 1.1	Youth and overall unemployment rates (latest year available), (percentages)	12
Figure 1.2	GDP by structure, 2000 and 2010	15
Figure 1.3	Real GDP growth, selected MENA economies 2001-2011 (percentages)	16
Figure 1.4	Trade share of GDP in selected MENA economies, 2000-2008 (percentages)	18
Figure 1.5	Tunisia's growth in tourism entrants, quarterly 2009-2011 (percentages)	19
Figure 1.6	Worker remittances as a percentage of GDP, 2000-2009	20
Figure 1.7	Ratio of food imports to food consumption in selected African economies, 2010 (percentages)	20
Figure 1.8	Unemployment rates and composition of unemployed by educational attainment (percentages)	24
Figure 1.9	Labour force participation for different groups, 2010 (percentages)	26
Figure 1.10	Labour force participation rates, by age and gender, 2010 (percentages)	27
Figure 1.11	Tunisian emigrants as a percentage of domestic population in 2008 (in thousands)	28
Figure 1.12	Job creation by sector, 2008-2009	29
Figure 2.1	Tunisia appears to have a competitive business climate (world ranking in 2010)	41
Figure 2.2	Industry share of total job creation, annual average, 2004-07 (percentages)	44
Figure 2.3	Central Government wages	46
Figure 2.4	Investment as a per cent of GDP in the MENA region (percentage points change between 1990 and 2007)	49
Figure 2.5	Foreign direct investment, net inflows in 2007 (as a per cent of GDP)	49
Figure 2.6	Private sector constraints: unlocking the bottlenecks	50
Figure 2.7	Regional ranking of economic freedom – Tunisia performs poorly	51
Figure 2.8	Total stock market capitalization as a per cent of GDP, 2010	56
Figure 2.9	Taxes on businesses in Tunisia (percentages)	57
Figure 3.1	Social Protection in Tunisia	70
Figure 3.2	Estimate of legal coverage for old age and active contributors to a pension scheme as a percentage of the working age population in selected MENA countries	73
Figure 3.3	Contribution rates as percentage of salary	76
Figure 3.4	Social assistance expenditure and GDP per capita (thousands) in some emerging and developing countries, 2008	85
Figure 3.5	Unemployed who actually receive benefits worldwide, percentage, latest available year	88

LIST OF TABLES

Table 1.1	Policy Responses in MENA to higher food prices, 2008	21
Table 1.2	Skill level in employment-creating and shedding industries, 2004-2007	23
Table 1.3	Forecast summary in Tunisia	32
Table 2.1	Corporate governance in the Middle East and North Africa	54
Table 3.1	Contingencies covered in selected MENA countries	71
Table 3.2	Services covered by different schemes	72
Table 3.3	Social assistance programmes and funds	82
Table 3.4	Social transfers (social actions and public services)	84
Table 4A.1	Pension reforms in some countries and results	117

LIST OF BOXES

Box 1.1	Impact of rising food prices	21
Box 2.1	Tunisia's Government policies to foster business competitiveness	42
Box 2.2	Public sector wages in the Middle East and North Africa (MENA)	46
Box 2.3	Private business investment in Morocco	47
Box 3.1	Health care reform in Tunisia	77
Box 3.2	Extending social protection coverage to informal workers: examples from emerging countries	80
Box 4.1	Better identification of the poor: The case of Cambodia	103
Box 4.2	Alternative financing methodologies for pension schemes	107
Box 4.3	Ensuring that viable enterprises are able to take advantage of new opportunities	109
Box 4.4	SME support in Viet Nam	112
Box 4.5	Industrial policy for the ICT sector in Tunisia	113