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Acknowledgements

This report presents a comprehensive profile of social protection in Tunisia. It covers pensions, health care, cash transfers, housing, and food and energy subsidies, as well as other social insurance and social assistance programmes in place in Tunisia.

The report was written by Mr. Patrick Ray, Inclusive Social Development Section, at the Economic and Social Commission for Western Asia (ESCWA), under the supervision of Ms. Gisela Nauk, Chief, Inclusive Social Development Section, ESCWA, and Mr. Frederico Neto, Director, Social Development Division, ESCWA. The study benefited from the advice and support of Mr. Thomas Hegarty, Ms. Zuzana Vuová and Ms. Angela Zettler, Inclusive Social Development Section, ESCWA.

Feedback from readers would be welcomed, and comments and suggestions may be sent to sps-escwa@un.org.

CONTENTS

LIST OF FIGURES

ABBREVIATIONS AND ACRONYMS

AMG	Assistance medicale gratuite (free medical assistance)
ATMP	Accident de travail et maladies professionnelles (work accident and occupational illnesses)
APCI	Affectations prises en charge intégralement (illnesses treated at no cost to user)
CNAM	Caisse nationale d'assurance maladie (national health insurance fund)
CNRPS	Caisse nationale de retraite et de prévoyance sociale (national pension and social insurance fund)
CNSS	Caisse nationale de sécurité sociale (national social security fund)
CRES	Centre de recherches et d'études sociales (centre for social research)
CSB	Centre de santé de base (basic health care centre)
ESCWA	Economic and Social Commission for Western Asia
FOPROLOS	Fonds de promotion du logement pour les salariés (fund for housing for workers)
GDP	Gross domestic product
ILO	International Labour Organization
INS	Institut nationale de la statistique (national statistics institute)
kWh	kilowatt hour
PAYG	Pay as you go
PNAFN	Programme national d'aide aux familles nécessiteuses
SMAG	Salaire minimum agricole garanti journalier (minimum daily agricultural wage)
SMIG	Salaire minimum interprofessionnel garanti (inter-trade minimum wage)
SNIT	Société nationale immobilière de Tunisie (national real estate company of Tunisia)
SPROLS	Société de promotion des logements sociaux (social housing company)
TND	Tunisian dinar

Introduction

In the wake of Tunisia's popular uprisings in 2011 that featured, among others, calls for greater social equity and access to opportunities, a new constitution was signed on 26 January 2014. This 2014 constitution is of importance for it enshrines both the right to health and the right to social assistance. These rights are established in the broader context of a constitution that reinforces the principles of solidary, social justice and the importance of social security.

In addition to the 2014 constitution's references to social protection, Tunisia's development strategies recognize the role of social protection within social development. As such, Tunisia's 12th Economic and Social Development Plan 2010-2014 notes the need to extend social protection to those currently excluded from its coverage. Emphasizing the principle of social solidarity, this development plan calls for equal opportunities for all Tunisians and countering marginalization and social exclusion. The theme of social inclusion is continued in the first Five-year Development Plan for Tunisia that will span from 2016 to 2020. Among the range of initiatives proposed for this period, the Development Plan states that social policies and programmes aim to reduce the rate of extreme poverty from 4.6 per cent in 2010 to around 2 per cent by 2020. Further to these development plans, January 2013 saw the signing of a social contract between government, employers and employee representatives, facilitated by the International Labour Organization (ILO). In addition to labour sector reforms, this social contract highlights social protection as a crucial area for reform.

Compared to other Arab countries, Tunisia's social protection system is well developed and features social insurance schemes for large sections of the working population and their dependents, social assistance in the form of universal subsidies, targeted cash transfers and social health insurance. Challenges remain, however, in developing Tunisia's social protection system, especially in the context of youth unemployment and labour informality.

I. SOCIAL INSURANCE

Tunisia's statutory social insurance schemes have existed in various guises from 1960 onwards during the presidency of Habib Bourguiba. Contributory social insurance for pensions and other benefits is implemented through two schemes: (a) Caisse nationale de retraite et de prévoyance sociale (CNRPS) (a national pension and social insurance fund); and (b) Caisse nationale de sécurité sociale (CNSS) (a national social security fund). The CNRPS covers the public sector while the CNSS serves the private sector. Both pension schemes are operated on a pay-as-you-go (PAYG) basis. Tunisia's contributory social health scheme is the Caisse nationale d'assurance maladie (CNAM) (a national health insurance fund) and is for both public and private sectors. CNAM is discussed in chapter 3 on health care.

All of the above three schemes are subject to oversight by the Ministry of Social Affairs. Each scheme has an administrative board whose members are appointed on a tripartite basis, namely, State representatives, employers and employees.

A. CAISSE NATIONALE DE RETRAITE ET DE PREVOYANCE SOCIALE

The CNRPS covers public-sector workers including civil servants, the military, security forces, State contractual workers, local authorities and employees of state-owned enterprises. The legislative basis of the CNRPS is Act 85-12 of 5 March 1985; however, the CNRPS already came into existence in 1975 with the fusion of the Caisse nationale de retraite and the Caisse de prévoyance sociale. The CNRPS enjoys financial autonomy from the central government and manages its own funds. Insured public-sector workers are insured for old-age pensions, disability, survivorship, illness, work injury, family allowances and maternity. Benefits accorded to the military differ from those for civilian State employees.

The contribution rate for the CNRPS is 20.7 per cent of employees' wages. This total contribution is composed of 12.5 per cent contributions paid by the employer and 8.2 per cent by the employee. Contributions are paid monthly or quarterly, as the individual chooses.

Pension benefits can be received at the standard retirement age of 60 years, assuming a minimum of 120 months of contributions have been made to the scheme. Early retirement is granted at the age of 55 for arduous work. Pension benefits are calculated as percentages of the employee's end-of-career salary on the basis of which they paid contributions for a minimum of two years. Benefits constitute 0.5 per cent of the reference salary for each quarter in the first 10 years of contributions and 0.75 per cent per quarter for the 10 years after that. Another 0.5 per cent per quarter is added for contributions over 20 years. The cap is 90 per cent of the reference salary on which contributions were paid. The minimum pension for public sector employees is 66.7 per cent of the salaire minimum interprofessionnel garanti (SMIG), which is an inter-trade minimum wage.

In 2012, the average monthly pension granted by CNRPS was 891.50 Tunisian dinar (TND), equivalent to three times the SMIG. Excluding military and other special CNRPS schemes, men received an average pension of TND901 compared to TND838 received by women, reflecting wage difference by gender.[1] Between 2002 and 2012, most public sector pensions increased in terms of replacement rate, primarily due to longer periods of contributions and more stable employment.[2]

In the case of military pensions, the age of retirement is 50 years for soldiers, corporals and master corporals in the three services (army, navy and air force). This retirement age increases with rank, until the age of 60 for senior officers and generals.

The CNRPS provides survivorship benefits on the death of the insured individual. The spouse receives 75 per cent of the old-age pension of the deceased. This percentage is reduced in accordance with the number of children whereby surviving spouses with three children receive 70 per cent of the pension value and those with five or more dependent children receive 50 per cent of the pension. A separate temporary pension is made available for orphans of insured public-sector employees.

Under certain conditions, for instance, if the insured individual is in employment at the time of their death, the dependents of CNRPS spouses are eligible to receive a death grant. 1 per cent of contributions made to CNRPS social insurance schemes is allocated to death grants. This forms the basis of death grants received. Added to this is the equivalent of one month's death grant contributions for each year of contributions made, up to 18 years. The death grant received is increased by 10 per cent for each dependent child and doubled if the death was a result of a work accident. If the deceased was retired, the death grant amounts to 50 per cent of the allocated pension benefits, reduced in percentage if the individual was over 70 years old.

Family allowances are allocated according to the number of children up to a maximum of three and over three in the case of a child with disabilities. The allowance for the first child is TND7,320, gradually decreasing down to TND5,603 for the third child. In the public sector, family allowances and supplementary benefits are paid directly by the employer.

In the case of injury at work of public-sector employees and consequent degree of disability of two thirds or more, the individual may request retirement due to disability. Once approved by the medical commission within the Prime Ministry, old-age benefits are paid in the same manner as if retirement had not been taken early, in addition to a compensation payment for work injury. The pension and compensation combined must not exceed 100 per cent of the employee's salary at the time of injury. This limit is raised to 125 per cent when the individual requires constant third-party care. In the case of work injury, the pension is automatically increased to 67 per cent of the SMIG if it falls below this level.

[1] CRES, 2014a, p. 2.

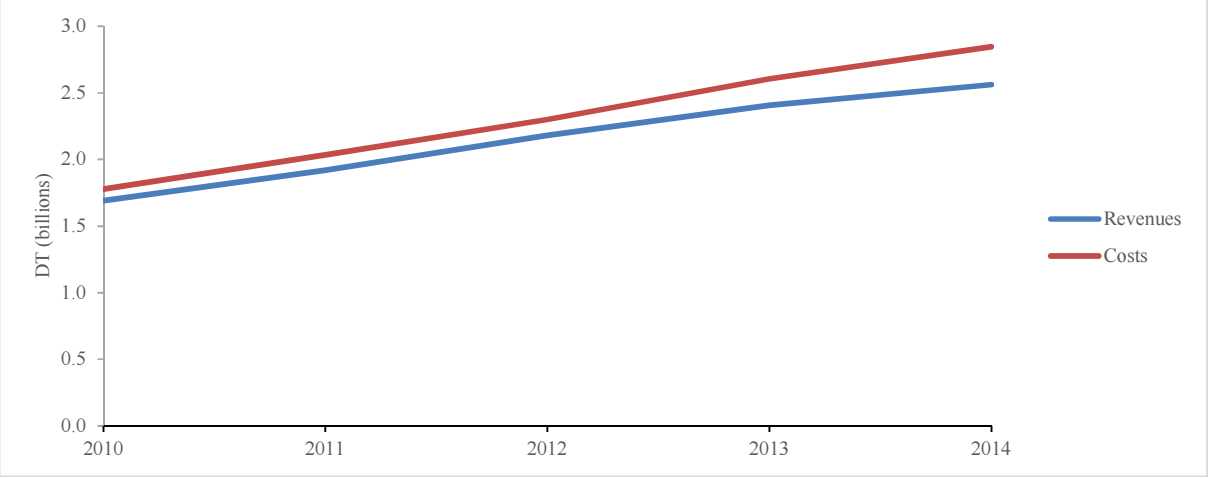
[2] Ibid., p. 3.

The CNRPS coverage rate for public-sector employees was 91.2 per cent in 2014. At the end of 2014, 305,415 individuals, including all dependents, benefited from the scheme. Yet, due to registration verification issues, many dependent children did not receive benefits that year. The number of old-age pension recipients (excluding dependents), however, increased by 5.6 per cent from 2013 to 2014.[3]

Total CNRPS revenues amounted to TND2,562 million in 2014, while costs amounted to TND2,847 million, creating a deficit of TND285,279,000 in 2014, and adding to the mounting deficits from previous years.[4] CNRPS revenues and costs over the period 2010-2014 are shown in figure 1.

The proposed CNRPS budget for 2016 highlights the ongoing financial deficit faced by the scheme. It is estimated that TND437 million was needed to cover this deficit in 2015 and another TND539 million in 2016.[5] Expectations for the year 2016 predicted increases in both the number of retirees and the average value of old-age pensions, resulting in 6 per cent, or 231,000, more retirees, by the end of the year.[6] Due to increases in working years and wages, the average retirement benefit for 2016 was predicted to be 7.5 per cent higher than the previous year.[7]

Figure 1. CNRPS revenues and costs, 2011-2014
(*Billion TND*)



Source: CNRPS, 2014, p. 2.

Pension benefits constituted the vast majority of programme costs, while death grants amounted to only 2.7 per cent of expenditure.[8] A total of 25,219 individuals enrolled in CNRPS social insurance in 2014, meaning a 39 per cent decrease compared to the previous year.[9] These new contributors brought the total number of individuals in CNRPS schemes to 1.06 million in 2014. Of this number, 71 per cent were active contributors, 19 per cent pensioners and the remaining 10 per cent dependents receiving benefits.[10]

[3] CNRPS, 2014, p. 30.

[4] Ibid., p. 2.

[5] CNRPS, 2015b, p. 1.

[6] Ibid., p. 2.

[7] Ibid., p. 3.

[8] CNRPS, 2014, p. 2.

[9] Ibid., p. 21.

[10] Ibid., p. 4.

B. CAISSE NATIONALE DE SECURITE SOCIALE

The CNSS was founded through Law 60-30 of 14 December 1960 to extend social insurance coverage to the private sector. The CNSS is a public organization with financial autonomy but is overseen by the Ministry of Social Affairs. Its administrative board is composed of a tripartite basis of three representatives of the State, four representatives of employers' organizations and four of labour unions. Under the CNSS fund, a number of schemes exist that vary in terms of contributions and benefits according to the individual's occupation. Differences exist both between schemes and within individual schemes. The main CNSS social insurance schemes cover the following occupational groups:

(a) Private-sector employees, excluding agriculture;[11]

(b) Employees in agriculture;[12]

(c) Members of agricultural cooperatives;

(d) Self-employed, including in agriculture;[13]

(e) Tunisians working abroad;[14]

(f) Students;[15]

(g) Low-income earners (including construction labourers, domestic workers, independent fishermen and small farmers, amongst others);

(h) Artists.[16]

The variations in terms of contributions and benefits between these schemes are explained in **Error! Reference source not found.**, for ease of comparison. Specificities of the schemes are then explored below.

(a) *Private-sector employees, excluding agriculture*

As the largest CNSS scheme, non-agriculture private-sector retirees numbered 249,616 in 2012, and this figure continues to rise.[17]

Contributions to the non-agricultural private-sector scheme were set on 1 July 2009 at 27.75 per cent of the employee's reference salary.[18] This contribution is divided between the employer, at 16.57 per cent, and the employee, at 9.18 per cent. Employees under this mandatory scheme receive old-age, disability and survivorship pensions in addition to death and child benefits.

Pension benefits are payable at the age of 60, with early retirement at age 55 for some groups, such as miners, assuming that a minimum of 120 months of contributions have been made based on salaries equal to

[11] Defined broadly as "salaried employees of all industrial and commercial establishments, professionals, employees of cooperatives, civil society, trade unions and organizations", including other profession groups as detailed under Law 60-30 of 14 December 1960, and modified by Law 81-5 of 5 February 1981, Art. 3 of Law 70-34 of 9 July 1970 and Law 63-26 of 15 July 1963.

[12] Based on Law 81-6 of 12 February 1981 and decree 81-244 of 24 February 1981.

[13] Law 60-30 of 14 December 1960, decree 95-1166 of 3 July 1995 and subsequent amendments.

[14] Law 60-30 of 14 December 1960.

[15] Law 65-17 of 28 June 1965.

[16] Law 2002-104 of 30 December 2002.

[17] CRES, 2014b, p. 1.

[18] The reference salary in this case is taken as the average salary on the basis of which contributions were paid over the last 10 years of employment.

or above two thirds of the SMIG. Those with fewer than 60 months of contributions are eligible for a single pension benefit payment.

Pension benefits are calculated according to a reference salary which is equal to the average monthly salary over the final 10 years of employment up to a maximum of six times the SMIG (namely, TND2,028 as of 2015). Insured private-sector employees hence receive benefits equal to 40 per cent of the reference salary for 120 months of contributions. This percentage is increased by 0.5 per cent for each additional quarter above 120 months for which contributions were paid, up to a maximum of 80 per cent of the reference salary.

Survivor pensions are available to spouses and children of employees who paid a minimum of 60 months of contributions equivalent to at least two thirds of the quarterly SMIG. Spouses are eligible if married at the time of death. Children dependents are eligible to receive benefits without condition up to the age of 16 years. Dependents up to 21 years old are eligible if enrolled in higher education or an apprenticeship and up to 25 years old for students not receiving any scholarship. Survivor benefits are granted to children of any age with disabilities or an illness that prevents them from working. Female children may receive benefits at any age if they are not married and have no source of income. Dependents receive 100 per cent of the old-age or disability pension to which the deceased would have been eligible at the time of death. This amount is reduced to 75 per cent for the spouse if there are no dependent children.

Disability benefits can be received by insured individuals under 60 years old whose ability to work is reduced as a result of disability or injury not incurred through work and who have paid a minimum of 60 months of contributions, six of which were made in the twelve months immediately preceding the declaration of the disability. Disability benefits amount to 50 per cent of the reference salary in 60-180 months of contributions made. This is augmented by 0.5 per cent for each additional quarter of contributions to a maximum of 80 per cent of the reference salary.

Child benefits are paid up to a maximum of three children and until the children reach an age of 16 years. Child benefits are paid beyond the age of 16 if the child is in an apprenticeship (up to 18 years) or enrolled in higher education (up to 21 years). The monthly amount is calculated based on the quarterly total earnings of the employee capped at TND122,000, taking 18, 16 and 14 per cent for the first, second and third child, respectively.

Where a death grant is given to beneficiaries, the value of this is reduced for those over the age of retirement. By this means, the value of the death grant can be reduced by between 40 and 10 per cent.

The value of pensions within this scheme is generally low. In 2012, 58 per cent of retirees received a pension lower than the SMIG of that year. This could be due to either low reference salaries or short contribution periods. A further consideration is that, in the absence of transferability across CNSS schemes, Tunisians having worked in different private sector areas may well receive pensions from different CNSS schemes. In this case, each pension is limited given that years of contribution are taken per scheme and not as a whole.[19] The extent of this phenomenon is difficult to ascertain.

The number of active contributors in this scheme declaring their salaries is found to be low, with 19.4 per cent of contributors declaring salaries below the SMIG. This may be due to employees underreporting salaries during the greater part of their careers and only fully declaring wages in the final 10 years of employment, upon which pension benefits are calculated.[20]

[19] CRES, 2014b, p. 2.

[20] Ibid., p. 4.

Overview of CNSS social insurance schemes

Category of worker	Mandatory/ optional	Social insurance contributions	Old-age pension benefits	Disability benefits	Survivorship benefits	Child benefits	Death benefit
Private-sector employees, excluding agriculture	Mandatory	27.75 per cent (employer 16.57 per cent, employee 9.18 per cent)	40 per cent of reference salary + 0.5 per cent increase for extra contributions capped at 80 per cent	50 per cent of reference salary + 0.5 per cent increase for extra contributions capped at 80 per cent	75-100 per cent of deceased's pension, between spouse and children	For up to three children	For spouse or one child
Employees in agriculture	Mandatory	12.29 per cent (employer 7.72 per cent, employee 4.57 per cent)	As above	40 per cent of reference salary + 0.5 per cent increase for extra contributions capped at 80 per cent	50 per cent of the deceased's pension for the spouse; 20-30 per cent for one or two children		As above
Members of agricultural cooperatives	Mandatory	19.47 per cent (employer 12.48 per cent, employee 6.99 per cent)	As above	As above	As above	For up to three children	For spouse or one child and to dependents on death of worker
Self-employed, including in agriculture	Mandatory	14.71 per cent by self-employed	40 per cent of reference salary + 0.5 per cent increase for extra contributions capped at 80 per cent	30 per cent of reference salary + 0.5 per cent increase for extra contributions capped at 80 per cent. Additionally, one year of contributions is paid by the State for persons with disabilities	Up to 75 per cent of the deceased's pension depending on number of children		For spouse or one child
Tunisians working abroad	Optional	13.3 per cent	40 per cent of reference salary + 0.5 per cent increase for extra contributions capped at 80 per cent	30 per cent of reference salary + 0.5 per cent increase for extra contributions capped at 80 per cent	75-100 per cent of deceased's pension, between spouse and children		For spouse or one child
Students	Optional	Symbolic payment of TND5				For up to three children	
Low-income earners	Mandatory		30 per cent of reference salary + 0.5 per cent increase for extra contributions capped at 80 per cent	30 per cent of reference salary + 0.5 per cent increase for extra contributions capped at 80 per cent	50 per cent of the deceased's pension for the spouse, 30 per cent for one child		
Artists	Mandatory	14.71 per cent	As above	As above	75-100 per cent of deceased's pension, between spouse and children		For spouse or one child

(b), (c) *Employees in agriculture and members of agricultural cooperatives*

These mandatory schemes apply to wage employees and cooperative members in the agricultural sector, as defined by Tunisian labour law, and cover those insured for old-age, disability and survivorship pensions and death benefits. Workers within agricultural cooperatives additionally receive child benefits.

In this scheme, contributions are paid on a quarterly basis. Any period of work equal to or greater than 45 days at the same employer is counted as a quarter and is discounted if shorter than 45 days.

Agricultural workers aged 60 years or more are eligible for pension benefits if they paid contributions for 120 months on a salary of at least 45 days of work per quarter at the salaire minimum agricole garanti journalier (SMAG), which is the minimum agricultural daily wage. In this sector, the reference salary is calculated using the SMAG. Pension benefits are equal to 40 per cent of this reference salary for the 120 months of contributions with an increase of 0.5 per cent for each additional quarter of contributions, capped at 80 per cent of the reference salary. Death grants are available for the worker and dependents, calculated at 50 per cent of the average daily wage multiplied by 180 for the death of the worker and less for the deaths of dependents. Pensions are also granted for disability and survivorship, as shown in the table.

If agricultural employees work in cooperative or associations with 30 permanent workers or more, social insurance coverage through CNSS is more extensive. These provisions were added to the extant social insurance provisions for agricultural workers by Law 89-73 dated 2 September 1989. Hence, in addition to and following the specificities of the benefits as above, workers also are eligible for child benefits when the insured individual is out of work due to illness, disability, maternity and work injury, or is retired. Such child benefits are calculated as under the public-sector insurance scheme.

(d) *Self-employed, including in agriculture*

The CNSS also provides social insurance for the self-employed, which is mandatory. The age of retirement is 65 years (instead of the usual 60 years in other schemes) and the minimum period of contribution payment in order to receive old age benefits is 120 months. Old-age pension benefits are 30 per cent of the reference salary, with a 0.5 per cent increase for each quarterly contribution above 120 months up to a ceiling of 80 per cent.[21] For the self-employed, the contribution rate is 14.71 per cent.

(e) *Tunisians working abroad*

Tunisians living and working abroad may enrol in a voluntary social insurance scheme that includes old age, disability and survivor benefits. The level of contributions is 13.3 per cent of the individual's earnings, paid quarterly. Four levels of income exist, representing multiples of the SMIG, which the worker self-declares. Old-age benefits are 30 per cent of the reference salary, which increases when over 120 months of contributions have been made. The retirement age is 65. Bilateral agreements with certain countries set different social insurance conditions for Tunisians abroad.

(f) *Students*

The limited social insurance scheme for students provides only family benefits for insured students with children. In order to be eligible, students need to be enrolled in Tunisian higher education institutions and under 28 years old or be an intern/trainee in one of the programmes of the National Employment Fund.

[21] Here, the reference salary is the average annual salary equal to the income level corresponding to the self-employed individuals' earnings and linked to the SMIG/SMAG.

(g) *Low-income earners*

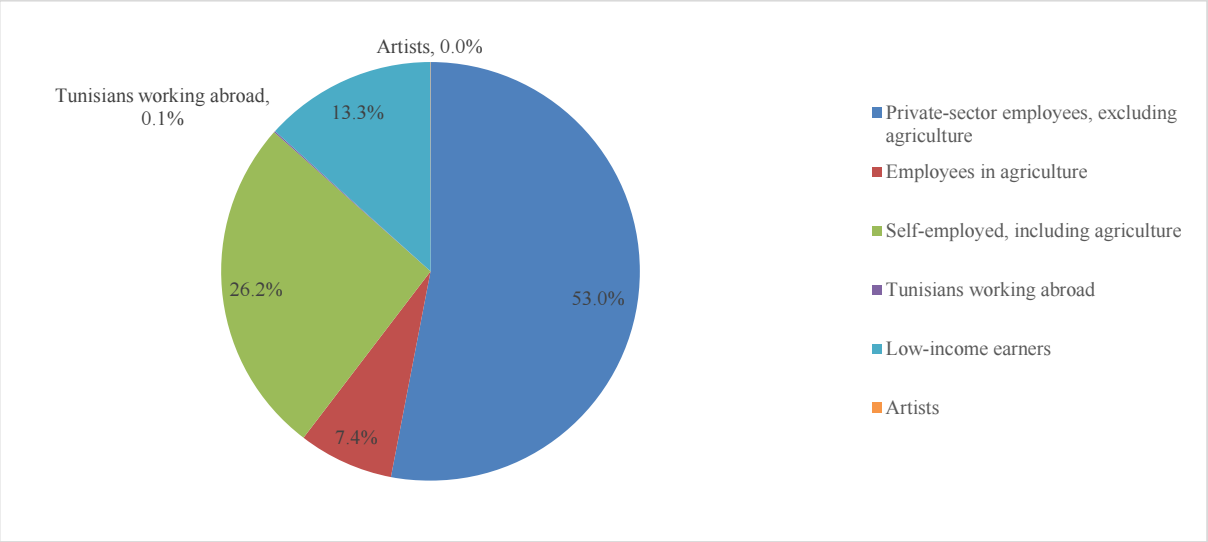
The CNSS broadly groups together under social insurance programmes low-income earners such as Tunisian domestic workers, construction labourers, small-scale farmers, fishermen and others. This coverage is mandatory but insures only against old age, disability and survivorship.

The social insurance provided to low-income earners varies greatly from one category to another. For fishermen, for instance, three schemes exist within the CNSS with varying rates of contributions and benefits according the size of the vessel on which the fishermen work. Broadly, the social insurance coverage increases with the size of the fishing vessel. Modes of calculating benefits and contributions also differ in this sector whereby the SMIG is applied for fishermen working on large vessels and the SMAG for fishermen on small vessels. As a result, benefits for the former are 40 per cent and for the latter at 30 per cent of the reference wage.

(h) *Artists*

Individuals engaged full time in artistic and creative cultural activities and not enrolled in another social insurance scheme are required to contribute to this scheme. Contributions are paid at a rate of 14.71 per cent of the artist's earnings. This scheme provides old-age, disability and survivorship benefits, in addition to death grants.

Figure 2. Active CNSS contributors by social insurance scheme, 2013



Source: CNSS, 2013.

In the latest data from 2013, the total number of individuals enrolled either as contributors or beneficiaries in various CNSS schemes was 2,788,596 (equal to 45 per cent of the national working-age population of approximately 6.2 million).[22] Of these, 2.2 million were active contributors and 0.6 million were pension recipients. Across all schemes, 70 per cent of those insured were men, compared to 30 per cent women.[23] In the largest CNSS scheme, which covers private-sector employees excluding agriculture, men represented a majority of 61 per cent of insured persons, compared to 39 per cent women.[24]

[22] Working-age here is equivalent to the age group 20-60 years.

[23] CNSS, 2013, p. 312.

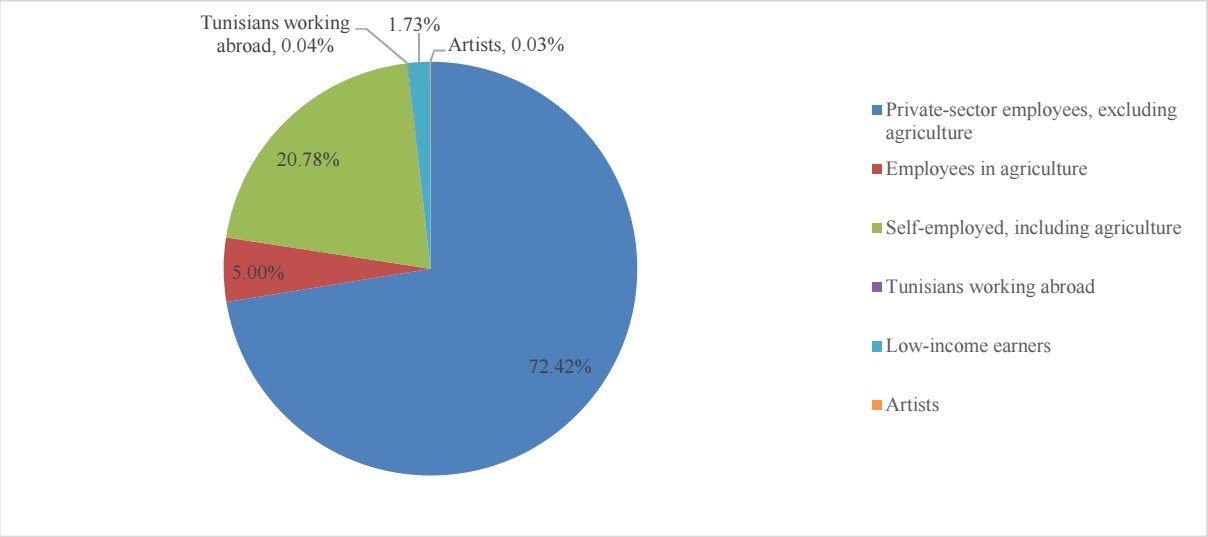
[24] Ibid., p. 13.

The total number of enrolled private-sector workers increased by 75 per cent between 2003 and 2013.[25] CNSS calculates the rate of coverage (including labourers and domestic workers) at 79.17 per cent of the private sector workforce, representing a considerable increase from 55.32 per cent in 2003.[26] The distribution of individuals contributing to the CNSS by scheme is illustrated below in figure 2.

The distribution of beneficiaries of the CNSS by scheme is shown in figure 3.

Of all pensions received in 2013, 59.35 per cent were old age benefits, 37.72 per cent survivorship benefits (of which 24.81 per cent for spouses and 12.91 per cent for children) and 2.92 per cent disability benefits.[27]

Figure 3. CNSS beneficiaries by social insurance scheme, 2013



Source: CNSS, 2013.

The CNSS budget for 2016 estimates the income from contributions and penalties related to social insurance payments will reach TND4.2 billion, representing an increase by 2 per cent compared to 2015. Considering all administrative and other costs, however, the balance for 2016 is calculated at a deficit of TND393 million.[28]

C. Social insurance challenges

As explained above, Tunisia's social insurance system is composed of three contributory funds, namely, CNRPS, CNSS and the Caisse nationale d'assurance maladie (CNAM), which is a national health insurance fund (see chapter 3 (a) below). In principle, this system is well developed, yet a range of challenges remain, such as reducing inequities in parallel schemes, improving effective coverage, improving the efficiency of programmes, and expanding support for the unemployed, as identified by the ILO.[29]

The existence of differing schemes according to occupation has resulted in a range of inequalities that accord certain groups more benefits than others. For instance, the public-sector scheme uses the highest end

[25] Ibid.

[26] Ibid., p. 360.

[27] Ibid.

[28] Ibid.

[29] ILO, 2011, p. 67.

of employment salary to calculate benefits whereas the private-sector scheme uses an average of wages over the last 10 years of work. Furthermore, "the minimum pension is equal to two thirds of the minimum wage for those who work in public and salaried non-agricultural sectors, while it is only 30 per cent for non-salaried workers".[30] However, the impression that CNRPS pensions are consistently more generous than those under CNSS was disconfirmed by evidence from the State Centre de recherches et d'études sociales (CRES), the State centre for social research. An analysis of the instantaneous replacement rate, delay in contribution recovery, replacement rate and actuarial replacement rate revealed that neither scheme is consistently more generous. For instance, taking the two factors of length of career and high/low wages earned, inequalities exist within each scenario but do not demonstrate an overall bias. In addition, for high-income earners, CNRPS offers a higher starting pension that remains above that of CNSS but for a short career at low wages, the schemes are initially equal with CNSS but benefits gradually increase over time.[31] This is in part due to the effect of indexation which has a stronger impact on public-sector pensions.

Tunisia's labour code provides norms for maternity leave, which, however, show certain inequities. In 1960, maternity leave was set at one month for most workers, with the exception of civil servants, who get two months of maternity leave.[32] Most women receive 67 per cent of the average daily wage, while women working in agriculture receive 50 per cent of the flat-rate daily wage calculated based on SMAG. Civil servants receive full pay during maternity leave.[33]

Certain requirements for agricultural workers seriously hamper their access to social protection. Notably, the condition that agricultural workers must have been employed with the same employer for a defined minimum period is a considerable obstacle in a sector where movement between employers is more common than in other sectors. Recent labour law changes have contributed to the rise of precarious short-term contracts which, in turn, negatively impact access to social protection for this group of workers.

In seeking universal social protection, the challenge remains to extend coverage to those employed in the informal sector. Gatti and others estimate the size of the informal economy in Tunisia at 40 per cent of the gross domestic product (GDP), and informal employment extends into a range of occupational sectors.[34] By drawing upon statistics from the Tunisian Institut nationale de la statistique, labour market surveys and CNSS data, the economist Nidhal Ben Cheikh calculated the extent of the informal sector as of 2013: He revealed that 37 per cent of private-sector workers, or 961,000 individuals, were working informally. In the agricultural sector, 52 per cent of workers were working informally, compared to 33 per cent in the non-agricultural sector.[35] Of non-agricultural informal workers, 72 per cent were employed in construction.[36] The age of informally employed persons is another interesting factor, where 60 per cent of men and 83 per cent of women employed informally in 2014 were younger than 40 years.[37] Extending social protection coverage to include the group of informally employed in order to protect them from social and economic shocks represents a priority for Tunisia.

Social insurance in Tunisia still fails to protect workers in the case of unemployment. In the private and public sectors, no regular mechanisms exist to ensure a minimum income for workers when out of employment. Severance pay exists in certain, yet very limited, cases, and income support is given to first-time job seekers

[30] Ibid., p. 74.

[31] CRES, 2013, p. 4.

[32] This leave can be extended by a fortnight at a time upon presentation of a doctor's certificate.

[33] Hagerman, 2015, p. 11.

[34] As quoted in Amara, 2016, p. 204.

[35] Ben Sheikh, 2013, p. 9.

[36] Ibid., p. 10.

[37] CRES and African Development Bank, 2015. p. 14.

with high educational qualifications through the AMAL programme.[38] This gap in social insurance is of particular importance given the unemployment rate of 15.2 per cent in 2015, representing a slight increase from 2014, although graduate unemployment decreased in the same period from 20.8 to 19.9 per cent.[39] This unemployment rate represents an increase compared to before the 2011 revolution, at 13 per cent.[40] Unemployment rates vary significantly by level of education: in 2009, the unemployment rate of university graduates was more than three times higher than of those with no completed education.[41] The social contract signed in 2013, however, called for a tripartite dialogue with a view to establishing a national unemployment benefit scheme in the medium- to long-term. In designing such a scheme, fiscal impacts, coherence with the level of and eligibility for other benefits such as pensions, health insurance and social assistance will have to be taken into account.[42] Within this process, the technical and social aspects of establishing unemployment benefits are to be considered.

The financial sustainability of social insurance funds remains another pressing issue. As has been explored in the sections on CNRPS and CNSS above, pension schemes are already in deficit, and this financial situation is only expected to worsen.[43] Budget transfers to both schemes to maintain pension payments amounted to 0.4 per cent of GDP in 2015.[44]

This financial situation is, in part, due to Tunisia's pension funding operating on a PAYG basis, which makes it susceptible to demographic changes. Decreased fertility rates and longer life expectancy are having their impact on the financial sustainability of the pension system, creating an increased dependency ratio, meaning that pension payments outstrip contributions. In Ayed Zambaa and Ben Hassen's forecast regarding the CNRPS pension scheme, the number of contributors to pensioners regresses continuously during the forecast period from 2.87 per cent in 2010 to 2.09 per cent in 2030.[45] Consequently, the deficit has been rising and is expected to reach TND1,606.3 million in 2030.[46] In 2015, the World Bank projected that the combined deficits of the public- and private-sector pension scheme will reach 1,5 per cent of GDP by 2018 and CNSS and CNRPS reserves will be completely depleted.[47] Figure 4 illustrates this estimation disaggregated by fund. The deficit of CNSS is more likely to be manageable in the short term, whereas the deficit of CNRPS is expected to increase more rapidly.

Further to the inherent susceptibility of PAYG pension schemes to demographic change, the generosity of Tunisia's pension schemes contributes to their growing deficit, particularly in the case of early retirement. As Chaabane notes, this generosity can be seen both in the various conditions for early retirement before the age of 60 and the replacement rate, deemed relatively high at 65 per cent in the public sector and 62.25 per cent in the private.[48] Ben Braham's contention is that the generosity of Tunisia's pension system has compounded its financial deficit but was less problematic whilst the pension system was young and the

[38] Created in 2011, AMAL is a comprehensive youth employment programme including vocational training, career guidance and unemployment stipends of TND200 per month. In order to be eligible, beneficiaries needs to have acquired a tertiary education degree and less than one year of work experience. In the first six months since its inception in February 2011, 170,000 young job-seekers enrolled in the programme.

[39] World Bank, 2015b.

[40] Ibid.

[41] ILO, 2011, p. 24.

[42] World Bank, 2015a, p. 29.

[43] ILO, 2011, p. 6.

[44] IMF, 2015, p. 30.

[45] Ayed Zambaa and Ben Hassen, 2013, p. 158.

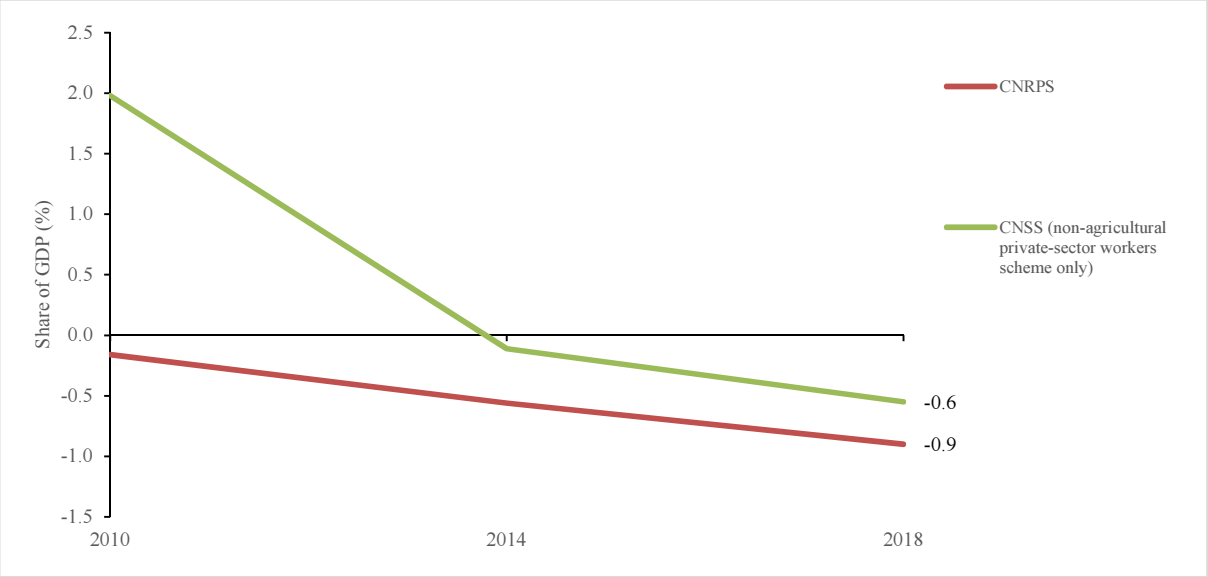
[46] Ibid., p. 161.

[47] World Bank, 2015a, p. xi.

[48] Chaabane, 2002.

dependency ratio higher.[49] The financial health of the pension system is inherently linked to the national economy and hence poor economic performance impacts on the social insurance system.[50]

Figure 4. Projected deficit of CNRPS and CNSS pension schemes
(*Percentage of GDP*)



Source: World Bank, 2013, p. 24.

In an effort to redress this deficit in the public sector, CNRPS contributions rates were increased in 2002 and then again in 2007. By comparing the pension schemes of North African countries, Dupuis and others found that retired Tunisians consider social insurance pensions as their principal source of income, whereas in other cases, such as Algeria, informal support networks of family or social group remain significant. A higher proportion of Tunisian retirees live with partners and not with descendants in extended family households compared to neighbouring countries, which might be seen as indicator of the reduced role of family-based support.[51]

II. SOCIAL ASSISTANCE

In addition to its relatively well developed social insurance system, Tunisia provides social assistance through universal subsidies and targeted cash transfers and free or subsidized health care. In 2013, 13 per cent of the lowest income quintile of the Tunisian population, most of who live below the poverty line, was covered by the social assistance programmes mentioned above.[52]

A. ENERGY AND FOOD SUBSIDIES

As in numerous other countries in the Arab region, Tunisia has for a long time received universal subsidies on food and energy. When originally established, these subsidies formed the predominant social assistance mechanism, alongside the broader social protection enjoyed by employees in the higher levels of the public sector. Along with other countries in the region, Tunisia is currently in the process of reforming these subsidies. As of 2014, total expenditure on subsidies amounted to TND3.8 billion, or 4.5 per cent of

[49] Ben Braham, 2009, p. 107.

[50] Ibid., p. 107.

[51] Dupuis, El Moudden and Petron, 2009, pp. 177-194.

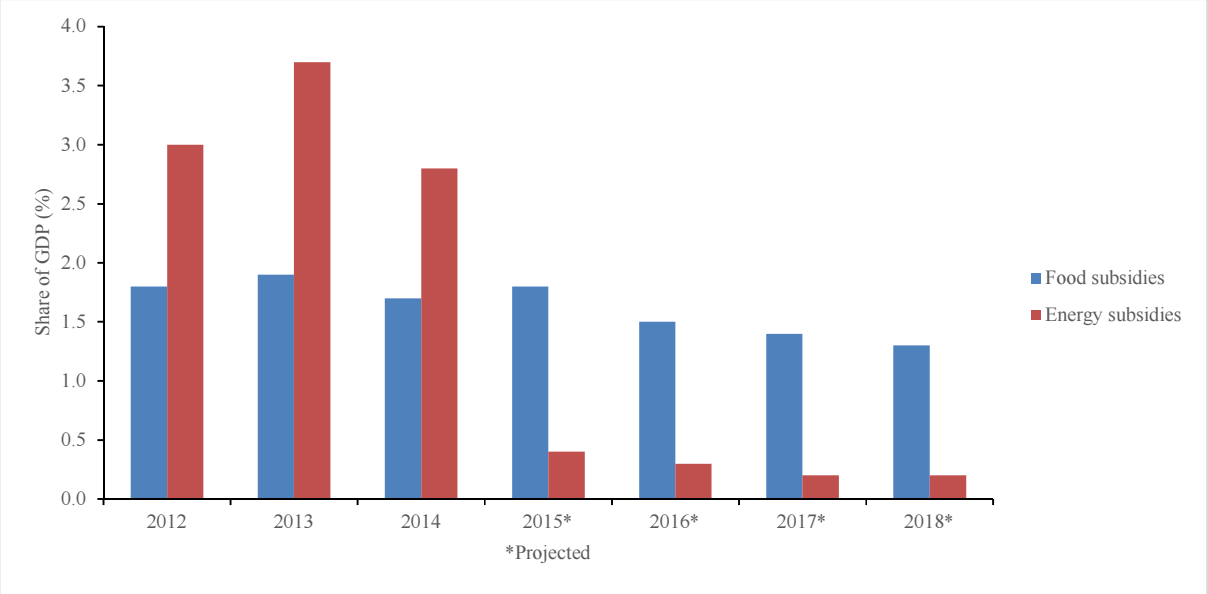
[52] World Bank, 2013, p. 24.

GDP. The development of subsidy costs including projected reform measures are shown in figure 5. It is to be noted that, as energy prices fell in mid-2015, expenditure on energy subsidies also fell.[53]

Food subsidies have been managed since 1970 by the Caisse générale de compensation, within the Ministry of Commerce. Expenditure on food subsidies from 2008 to 2011 is illustrated below in figure 6. Food subsidies include grains and derivatives (bread, semolina, couscous and pasta), cooking oil and, since January 2011, milk, sugar and tomato concentrate.

The principles underpinning food subsidies were those of controlling inflation, maintaining the purchasing power of the population (especially for urban and poor populations), supporting price competitiveness for Tunisian products abroad and ensuring adequate nutrition for all.[54] CRES and the African Development Bank took a sample of 5,600 households to assess the impact of food subsidies on poor populations. This research, whilst of a relatively small scale, found that higher-income households benefited more from food subsidies than low-income households. This is due, in large part, to the higher overall consumption by the former group. Hence, in 2010, the highest-earning quintile benefited TND89.1 on average from food subsidies compared to TND68.2 for the lowest earning quintile. In other figures, 21.3 per cent of all food subsidies went to the top quintile and 16.3 per cent to the bottom quintile, with specific rates differing by food product.[55] A mere 12 per cent of food subsidies reached households defined as poor.[56] Leakages in this system are reported whereby subsidized food is used outside of households for commercial purposes. Food subsidies are indispensible for low-income households, and the situation that non-poor households capture proportionally more benefits than poor households needs to be remedied.

Figure 5. Food and energy subsidies, 2012-2018 (projected)
(*Percentage of GDP*)



Source: IMF, 2015, table 4b, p. 41.

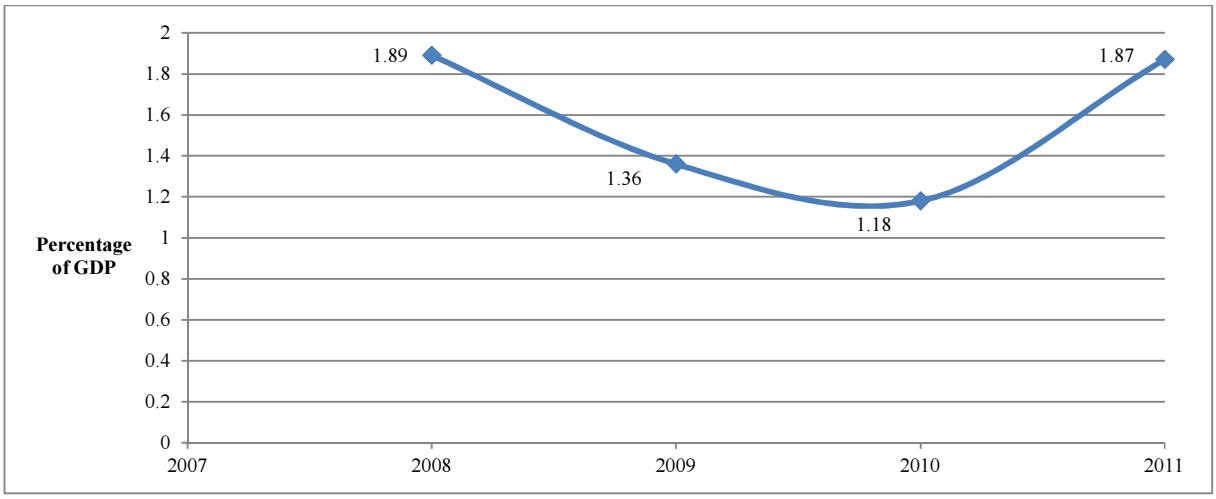
[53] World Bank, 2015a, p. 31.

[54] CRES and African Development Bank, 2013.

[55] Ibid., p. 15.

[56] Ibid., p. 18.

Figure 6. Food subsidy expenditure, 2008-2011
(*Percentage of GDP*)



Source: Ministry of Industry and Commerce (n.d.).

Fuel and energy subsidies represent a considerable expense within the State budget, and have formed part of the Tunisian social contract since its independence. Subsidies are applied to a range of fuels, namely petrol, diesel, heavy fuel, and liquefied petroleum gas (LPG), and electricity. In 2013, electricity made up 51 per cent of subsidy value, diesel 23 per cent and LPG 15 per cent.[57] These are subsidized at a rate of 68 per cent for LPG, 15 per cent for petrol and 16-26 per cent for diesel depending on type.[58] Total expenditure on energy subsidies were calculated at TND5.03 billion for 2013.[59] The distribution of these benefits by income quintile is shown below in figure 7, illustrating that higher income quintiles benefit most from subsidized prices since their consumption rates are higher. Furthermore, the means by which electricity tariffs are calculated negatively impacts low-income households. It is seen, hence, that not only are energy subsidies a significant burden on the State budget, but also they do not specifically target low-income households, who gain less from energy subsidies than higher income groups. Furthermore, energy subsidies can result in price distortions and lead to overconsumption and overinvestment in subsidized sectors.

The high cost and regressive nature of energy subsidies has led Tunisia to initiating a reform process. Fuel and electricity prices are being incrementally increased to phase out subsidies, while simultaneously expanding targeted social assistance in an attempt to mitigate the impact that increased energy prices will have on poor Tunisians. Hence, in September 2012, petrol and diesel prices and electricity tariffs increased by an average of 7 per cent. Prices of the same products were raised once more by 7-8 per cent in March 2013. In January 2014, energy subsidies benefiting cement companies were halved, and eliminated altogether five months later. In July 2014, petrol prices increased by 6.4 per cent and diesel prices by around 7 per cent. To assist low-income households, an additional, so-called lifeline, electricity tariff is to be introduced for households consuming less that 100 kilowatt hours (kWh) per month.[60] There is no precise future timeline of planned reforms; however, the intention is to eliminate LPG, diesel and petrol subsidies altogether.[61] As indicated by Cuesta and others, the impact of the energy subsidy reform will be the greatest, in relative terms, on the lowest-income households; hence, the impact will equate to 6.7 per cent of the poorest households'

[57] World Bank, 2013, p. 5.

[58] Ibid., p. 5. All figures as for 2013.

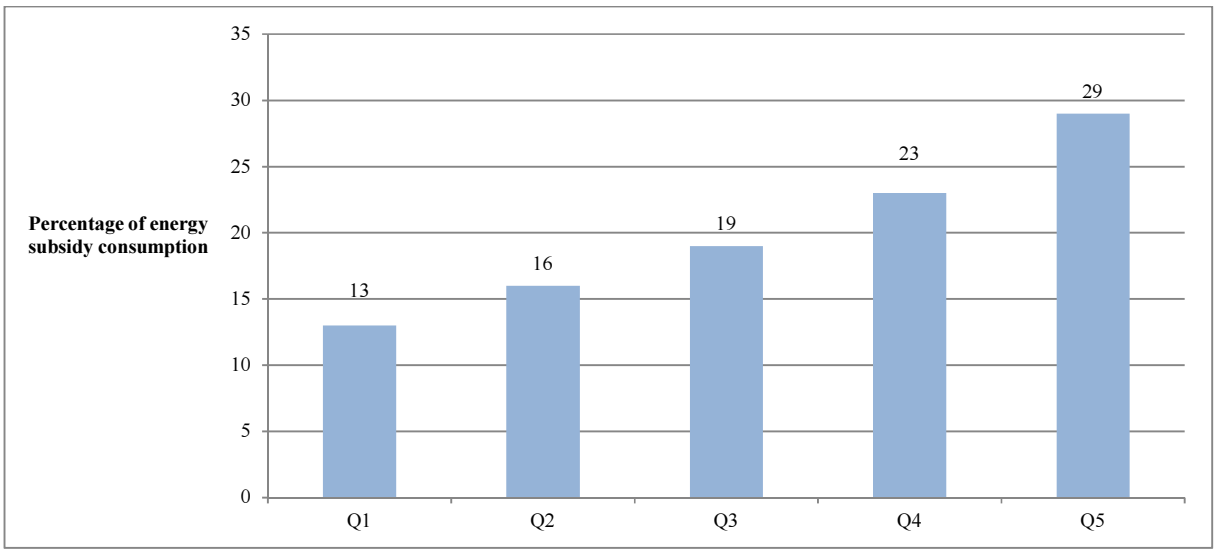
[59] Ibid.

[60] IMF, 2014, table 1.

[61] Cuesta Leiva, El Lahga, and Lara Ibarra, 2015, p. 23.

expenditures and 3.1 per cent of the richest households' expenditures.[62] World Bank simulations indicate that an increase in electricity prices and the removal of other fuel subsidies, without behavioural changes from users, would immediately increase poverty by 2.5 percentage points.[63] It is therefore essential that subsidy reform is coupled with the expansion of social assistance mechanisms.

Figure 7. Distribution of energy subsidy benefits, by income quintile



Source: World Bank, 2013, p. 11.

Note: Q1 is the lowest, Q5 the highest income quintile.

B. PROGRAMME NATIONAL D'AIDE AUX FAMILLES NECESSITEUSES

Tunisia's largest social assistance programme is the Programme national d'aide aux familles nécéssiteuses (PNAFN), a national programme of assistance to families in need, both in terms of population covered and geographical reach. Created in 1986, PNAFN is Tunisia's sole and unconditional cash transfer programme. With household revenue one parameter of eligibility, the scheme is means-tested. PNAFN is managed by the Ministry of Social Affairs and implemented through 24 regional divisions and units operating at the local level in each of the countries' 264 delegations, which are the administrative units below governorates. In 2013, the PNAFN budget amounted to TND292 million.[64] The total cost was equivalent to 0.47 per cent of GDP.[65]

Since February 2015, beneficiaries under the PNAFN receive a monthly cash transfer of TND120, in addition to health-care benefits, which will be further discussed in chapter III, section 2. This cash transfer has been re-valued over time, from TND36.3 in 2000 to the current amount of TND120. The value of the SMIG, however, has decreased meaning that the PNAFN cash transfer has gained in purchasing power and, as of 2015, equated to 45 per cent of the SMIG.[66] In addition to the TND120 transfer, a further amount of TND10 is

[62] Ibid., p. 18.

[63] Ibid., p. 23.

[64] Ibid., p. 35.

[65] CRES, 2015, p. 4.

[66] Ibid., p. 5.

granted monthly for each child of school age, up to a maximum of three children. Total PNAFN cash transfers represent 21 per cent of average low-income household expenditure.[67]

PNAFN is directed at poor households and, as such, eligibility is determined primarily by the upper poverty line of TND1,308 per person per year as defined by the Tunisian National Institute of Statistics.[68] The Ministry of Social Affairs maintains a database of PNAFN beneficiaries. Means-testing is used to identify eligible persons, in addition to self-presentation and categorical criteria including: (a) self-declared household revenue falling below the poverty line, as defined above; (b) household size; (c) household members with disabilities or long-term illnesses; (d) household living conditions, for instance housing and assets; and (d) the inability of the head of the household to work. Enrolment is carried out through local authority commissions overseen by the Ministry of Social Affairs, including civil society representatives.[69]

In 2014, the number of beneficiaries was 235,000, representing a significant increase from 100,000 beneficiaries in 2010.[70] This amount equals 7.3 per cent of the population and an estimated 60 per cent of the country's poor.[71] Of the beneficiaries, 4.38 per cent were retired and 2.92 per cent of working age. Across Tunisia, 51 per cent of households benefiting from PNAFN are located in the western governorates, of which 21.2 per cent are in the north-west, 19.4 per cent are in the centre-west and the remaining 10.4 per cent are in the South.[72] In 2014, 85,000 children, or 3.5 per cent of all Tunisian children, benefited from PNAFN's cash transfer per child. Figure 8 shows the proportion of the population receiving PNAFN benefits, by region, in the period 2011-2014. The country average of PNAFN beneficiaries for this period was 7.2 per cent.[73]

The gender balance of beneficiaries is roughly equal and 62 per cent of PNAFN beneficiary household heads are over 60 years old. Hence, the majority of PNAFN beneficiaries have an inactive, retired or unemployed head of household. In the wake of the 2011 revolution, the number of PNAFN beneficiaries grew. One fifth of those currently enrolled joined the scheme after 2011.[74]

As stated above, cash transfers exist for PNAFN beneficiary households with children of school age in order to encourage educational attainment. Launched in 2007, this programme has expanded to cover close to 80,000 children from over 40,000 families in 2014.[75] A single cash transfer of TND30 is made per child for a maximum of three children at the start of the academic year. University students from PNAFN beneficiary households receive TND100. The timing of this payment envisages to mitigate additional expenses for books and stationary, for example, at the start of the school year.

This cash transfer, however, has so far been unconditional as there are no requirements to prove education attendance or ongoing enrolment. Eligibility is verified via the child's birth certificate and one certificate of enrolment in school. No further evidence of ongoing enrolment is needed to renew this eligibility.

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[67] World Bank, 2015a, p. 36.

[68] CRES, 2015, p. 3.

[69] Arfa and Elgazzar, 2013, p. 7.

[70] CRES and African Development Bank, 2015, p. 1.

[71] IMF, 2015, p. 30.

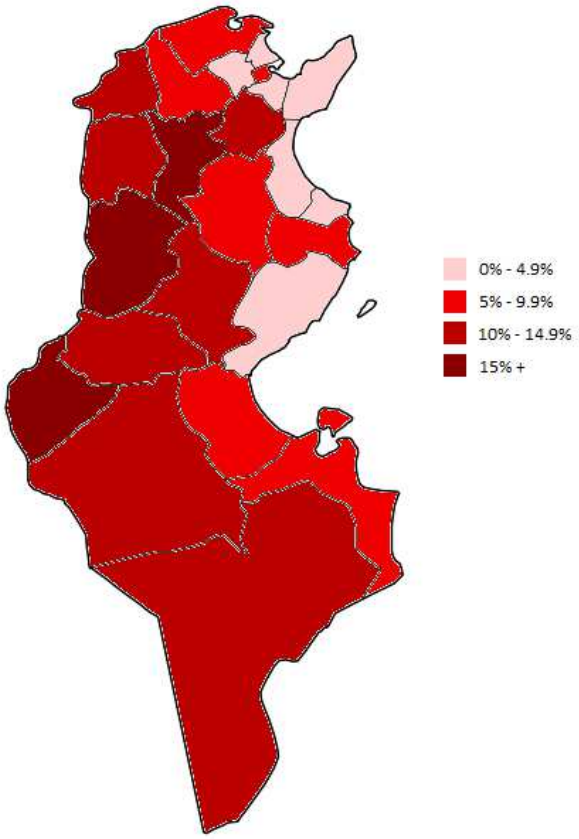
[72] CRES and African Development Bank, 2015. p. 4.

[73] World Bank, 2015a, p. 35.

[74] CRES, 2015, p. 4.

[75] Ostermann, and others, 2014, p. 6.

Figure 8. Population in PNAFN scheme by governorate, 2011-2014



Source: World Bank, 2015a, p. 35.

This payment targets at keeping children from poor households in education, given that they are far more likely to drop out of schooling than children from higher-income households. Up to half of all PNAFN beneficiary households are estimated to have school-aged children; however, in 2014, only 18.6 per cent received this additional cash transfer. Furthermore, this cash transfer being implemented through PNAFN limits beneficiaries to those already enrolled in the broader social assistance programme.

Whilst certain regions with higher rates of poverty, such as Tozeur and Siliana, also have corresponding higher rates of households receiving PNAFN cash transfers, targeting effectiveness is generally weak. The World Bank estimates leakage, meaning that benefits go to non-poor households, at 60 per cent.[76] Indeed, it is the case that 80 per cent of PNAFN beneficiaries have a level of consumption below the national average; yet, leakage to non-poor households, namely above the lowest quintile, is relatively high.[77] Proxy means testing is one possibility to improve targeting. Simulations by CRES and the African Development Bank have identified the impact of PNAFN on the incidence of poverty at a 0.8 per cent decrease, and a 0.7 per cent decrease in the case of extreme poverty. The programme's impact is greater in rural rather than urban areas.[78]

[76] Poor is defined here as living on US$2 a day. World Bank, 2015a, p. 34.

[77] Ibid., p. 37.

[78] CRES and African Development Bank, 2013, pp. 43-44.

Neither PNAFN nor the Assistance médicale gratuite (AMG), which provides free medical assistance (see further information in chapter III, section 2), have clear deadlines before which beneficiaries must reapply to continue receiving benefits; and the social workers within the Ministry of Social Affairs do not carry out verifications of need once a year, as they are mandated to do. PNAFN eligibility should be reviewed every two years, and beneficiaries should visit local PNAFN offices annually to renew their enrolment.[79]

The CRES highlights "institutional weaknesses, poor coordination between different state services and the size of the informal sector [that] prevent the existence of fiscal administration capable of monitoring the income level of all families".[80] Tunisia has, however, recently established a unified database of households in need of social assistance. Periodically updated and containing varied types of data, it is hoped that this database will facilitate beneficiary selection, reduce inclusion and exclusion errors and enhance coordination across the social protection system.

Amid accusations of corruptions and lack of transparency and equity within the PNAFN system, a reform process was due to begin in 2011; no details on this are available so far.

C. Social housing

Tunisia's public and social housing is provided and managed through the national housing company of Tunisia, the Société nationale immobilière de Tunisie (SNIT), and the company for social housing, the Société de promotion des logements sociaux (SPROLS). SNIT builds and manages social housing and, in recent years, has been regularizing legal tenure of some of its housing stock. It is managed by the Ministry of Equipment, Town and Country Planning and Environment. Excluding regional operations, SNIT's budget in 2013 was TND47.6 million.[81] Until 2013, SNIT built around 263,747 housing units.[82]

Applications for housing units are made directly to SNIT offices or online and are considered in line with income and other eligibility criteria. A first-come-first-served basis is used for housing allocation, except in certain projects where applications are randomized.[83] Public land is often granted to SNIT at no cost on which the company can construct social housing. During the period 2008-2010, SNIT units averaged at a price of TND47,400.[84]

In addition to the possibility of full direct payment, financing options exists that include a range of mortgage options. These are implemented through the Fonds de promotion du logement pour les salariés (FOPROLOS), which is a housing fund for workers. FOPROLOS mortgages exist at differing rates and varied condition depending on the size and cost of the housing unit, and on the monthly income of the individual in relation to the SMIG. Another funding option is a loan from the social insurance fund, with five years of enrolment and contributions paid to the social insurance as a precondition.

D. School Meals Programme

In line with the 2014 Sustainable School Meals Strategy that Tunisia has developed with the support of the World Food Programme, the school feeding programme seeks to improve access to nutritious and healthy food, prevent school failure and drop-out rates, while also promoting local markets and addressing issues

[79] Ostermann, and others, 2014.

[80] CRES and African Development Bank, 2015, p. 3.

[81] SNIT, http://www.snit.tn/fr.php (accessed 1 June 2016).

[82] Ibid.

[83] UN-Habitat, 2011, p. 29.

[84] Ibid., p. 9.

concerning obesity. The government has been working together with WFP to strengthen the quality and continuity of the national school meals programme.

The programme falls under the responsibility of the Ministry of Education, with several other institutions acting in a supporting role through the National School Meals Steering Committee. This includes Ministries of Agriculture, Health, Social Affairs, and International Affairs, Nutrition Institute of Tunisia, and WFP. The programme is fully funded by the government, with spending totaling USD 13.2 million in the 2014/15 school year.[85] The programme is highly decentralized at the local level: funds are transferred to school districts, where the school headmasters use them for direct procurement and distribution of the meals.

The targeting mechanism is a combination of a categorical targeting based on geographic location and individual situation, such as distance from school, relative poverty and family status. Rural schools are prioritized. Currently, the programme serves 240,000 children in 2,500 schools.[86] At 80 per cent of participating schools, children are provided a cold snack, which consists of a sandwich, yoghurt or a fruit. At the remaining one fifth of schools, hot meals are serves, such as couscous, pasta or stews. As an income equivalent, school meals represent an annual assistance of TND 70, a tenth of the yearly income of households in the poorest decile in rural areas.[87] School meals can thus play an important role in decreasing child labour, increasing school enrolment rates, while also promoting agricultural production.

III. HEALTH CARE

Tunisia's new constitution of 2014 reiterated the right to health and access to adequate health-care. In working towards this aim, Tunisia has both contributory and non-contributory social health insurance schemes. Contributory health insurance is implemented by CNAM, the national health insurance fund, while AMG provides targeted free and subsidized health care. In 2013, these two mechanisms together achieved an overall national rate of health-care coverage of 94 per cent. Public spending on health in the same year equalled 4.4 per cent of GDP. 37.5 per cent of overall health spending was, however, out-of-pocket.[88]

A. CAISSE NATIONALE D'ASSURANCE MALADIE

The social health system in Tunisia is implemented through CNAM. This national health insurance fund also includes insurance for work injury. CNAM covers both public- and private-sector workers insured through CNRPS and CNSS and their dependents.

CNAM is the latest of different forms of social health insurance that have existed in Tunisia since 1958. CNAM itself became operational in 2007. In 2004, the then existing free and subsidized health-care schemes, namely the Régimes d'assistance médicale gratuite 1 and 2, were merged into CNAM through Law 71. With budgetary and managerial independence, CNAM is overseen by the Ministry of Social Affairs. The management board has a tripartite structure. A fixed annual sum is paid by CNAM to the State budget in order to cover the costs of out- and in-patient care at public health facilities for insured persons. Primary public health care is provided through 2,109 local health centres called Centres de santé de base (CSB) in all regions of Tunisia. Additional medical care is provided by 175 local, regional and university hospitals.[89]

[85] WFP, 2016.

[86] Tunisia, Ministry of Education, 2014, p. 7.

[87] Hagerman, 2015, p. 12.

[88] CRES, 2015, p. 3.

[89] As of 2014. Institut National de la Statistique, http://www.ins.tn/fr/themes/sant%C3%A9 (accessed 1 June 2016).

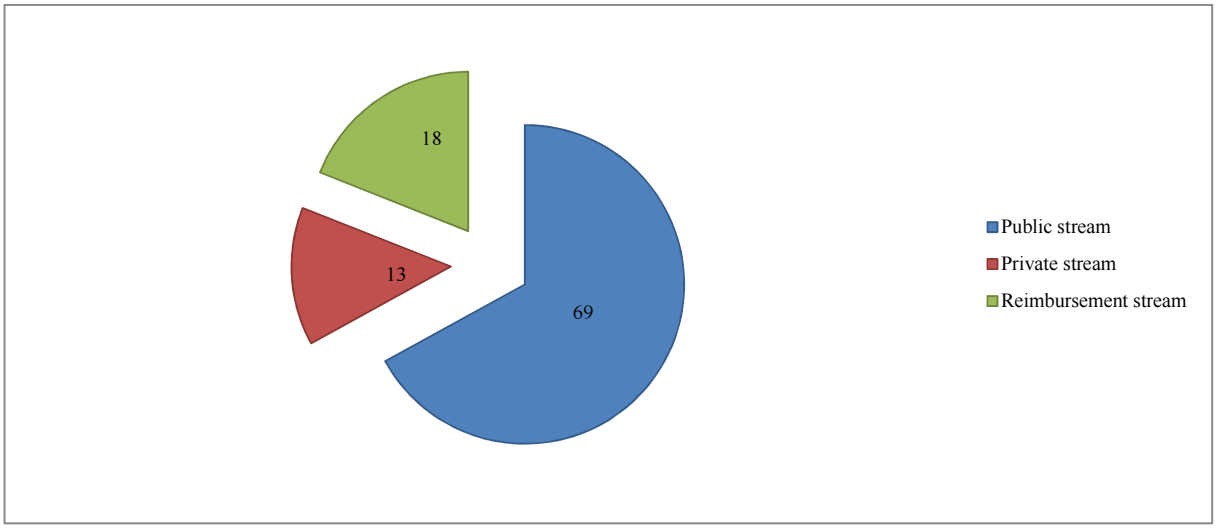
Contributions made to CNAM are 6.75 per cent of the individual's salary or income, with 4 per cent payable by the employer and 2.75 per cent by the employee. This rate is paid in full by self-employed contributors. The contribution rate for pensioners is 4 per cent.

Three streams exist within CNAM with varying health-care and reimbursement procedures, namely the public, private and reimbursement streams. The distribution of beneficiaries between these streams is illustrated in figure 9. Treatment costs for a range of 24 medical conditions, which are grouped under affectations prises en charge intégralement (APCI), are covered fully by CNAM; and hospitalization in public and certain private hospitals is included across streams. Under CNAM's public stream, all public health-care services are free; co-payment exists for certain treatments but is capped at 1.5 times the value of the monthly salary or pension of the beneficiary. Furthermore, CNAM covers visits to general and special doctors, dentists and midwives in addition to visits from the same at home. Low-income households cannot afford anything other than this stream and, at the time of CNAM's formation, many Tunisians were automatically assigned to the public stream unless they decided otherwise, which has resulted in the far greater number of beneficiaries in the public stream.[90]

Under the private stream, households designate a family doctor as first referral. Treatment for conditions related to gynaecology, obstetrics, paediatrics, dentistry, and chronic and long-term illnesses are all covered. Co-payment is required on treatment not under APCI. Co-payment also has to be made for medicine at a rate of 30 per cent at point of access, which is subsequently reimbursed.

Under the reimbursement stream, beneficiaries pay the entirety of real fees when accessing private and public medical care from providers designated by CNAM. Expenses are subsequently reimbursed according to the same co-payment rates as in the private scheme and up to an annual limit per household. This stream, hence, requires a higher initial expense, prior to reimbursement. CNRPS public-sector employees may only choose between the public and reimbursement schemes.

Figure 9. Distribution of CNAM beneficiaries, by stream, 2011 (projected)
(*Percentage*)



Source: CNAM, 2012.

Benefits for sick leave, excluding work injury, and maternity leave are paid by CNAM. Sick leave is paid to any worker for each day of leave from the sixth day of illness until the eightieth day maximum.

[90] CRES, 2014c, p. 2.

Maternity leave is paid to female wage workers, not to self-employed women, as income replacement during the time off from work due to pregnancy and maternity.

In addition to general social health insurance, CNAM provides work injury and illness coverage through the Accidents de travail et maladies professionnelles (ATMP) scheme, which was established by Law 94-28 of 21 February 1994. Employers bear the cost of contributions for employees at a rate of 0.4-4.0 per cent of the employee's salary depending on the employment sector. During 2009, 29 work accidents were reported for every 1000 workers.[91]

In the case of work injury or illness, insured workers receive comprehensive medical care. Additionally, a daily compensation wage is paid throughout the period of work-related illness or injury, excluding the first three days of illness. This is a shorter waiting period than in the case of general sick leave as described above. This compensation is calculated at 67 per cent of the individual's daily wage, using the highest daily wage received in one of the four quarters preceding the accident as base for calculation. In case of partial or full disability as a result of work injury, ATMP pays an income calculated according to the degree of disability and the individual's annual salary before the injury. This annual salary is capped at six times the SMIG/SMAG; its minimum is the value of SMIG/SMAG. Should an insured individual die as a result of a work accident, an income is paid to dependents.

Sick leave coverage, excluding work-related injury or illness, is mandatory for certain public-sector employees when working abroad. Government departments whose employees benefit from this regulation include the Ministries of Foreign Affairs, of the Interior and for Local Development. Under this mandatory scheme, medical costs are reimbursed by CNAM and contributions are 4 per cent of the worker's net salary, split equally between employer and employee. Beyond the mandatory scheme, employees may voluntarily enrol for additional coverage, which covers health care beyond surgery and long-term illness. Contributions for these services are 6 per cent higher than the mandatory contributions, again equally split between employer and employee.

As of 2013, CNAM covered close to 7 million Tunisians, including dependents, equivalent to 63 per cent of the total population.[92] In the latest available statistics, published in January 2012, 8.9 million visits were expected to be paid to CNAM local and regional health facilities in 2011. In 2011, 2,780,679 individuals, representing 25 per cent of the Tunisian population, were insured by CNAM, of which 69 per cent were public-sector workers and 13 per cent private-sector workers. The remaining 18 per cent enrolled for reimbursement of health care.[93] 5,895 doctors were contracted with CNAM in 2011 along with a further 4,962 health-care professionals. The number of contracted health workers steadily increased annually; and the number of doctors more than doubled since 2007.[94] The expenses of CNAM across different schemes for 2011 were projected at TND1.493 billion.[95]

Expenditure on health care in Tunisia, including public and private insurance and out-of-pocket payment, has risen considerably since 2000. Total spending rose from TND1.5 to 4 billion from 2000 to 2010. In 2010, total spending represented 6.3 per cent of GDP, equal to TND383 per individual, and rose to 7.1 per cent in

[91] CNAM, 2010.

[92] CRES, 2014c, p. 3.

[93] For private-sector workers, including the self-employed in both agricultural and non-agricultural sectors, agricultural workers and artists.

[94] CNAM, 2012, p. 5.

[95] Ibid., p. 9.

2013.[96] The share of social insurance of the total health-care expenditure equally rose from 17 per cent of total spending to 26 per cent between 2000 and 2010, respectively.[97]

As to CNAM, expenditure rose to TND1.5 million in the period 2011-2015, after having increased at an average rate of 19 per cent from 2007 to 2011.[98] The rising expenditure is, in part, explained by spending related to the treatment of chronic illness that CNAM covers wholly. In spite of minimal variations in terms of beneficiaries, expenditure on private facilities outstripped spending on public health care with a 305 per cent increase of the former compared to 83 per cent of the latter between 2007 and 2012.[99] In addition, inequalities in access are characterized by persistent gaps between the coastal areas and the western part of the country, where the number of specialists and doctors, equipment quality, and service coverage are all much lower.[100]

In light of these challenges and in an effort to improve efficiency, the government adopted objective-related budgeting reform measures in the period 2008-2010. Including other sectors beyond health, CNAM State budgets were to be allocated according to performance indicators for primary health care, regional and university hospitals and functional agencies. The implementation of these measures was paused after the 2011 revolution but was expected to be resumed.[101]

B. ASSISTANCE MEDICALE GRATUITE

AMG provides free or highly subsidized health care to low-income households. This social health provision is reserved for those not covered by contributory social insurance schemes. AMG was first established by Law 1-63 of 29 July 1991. It is funded by central government transfers to the Ministry of Health to cover the cost of granted health care. It is unclear, however, how this amount is determined.[102]

AMG is divided into two programmes, called AMG 1 and AMG 2. Under the AMG 1 programme, free health care is provided in public health structures for poor households who are already enrolled in the PNAFN. Free health care is granted for five years, within a national limit and regional quotas.[103] In a 2015 CRES publication, the rate of coverage for AMG 1 was estimated at 7.3 per cent of the population.[104]

AMG 2 provides health care at a reduced cost, including co-payment for hospital visits, to households who do not meet the requirements of PNAFN but are close to the poverty line. Eligible are households with limited incomes, namely not higher than double the SMIG, depending on the size of the family. Hence, if the household is composed of two people, the SMIG is the income limit; for 3-5 persons, the limit increases to 1.5 times of the SMIG; and for over five individuals, the limit is double the SMIG. Eligibility is granted for five years and is validated each year via a payment of TND10. AMG 2 coverage rates for the period 2011-2014 by region can be taken from **Error! Not a valid bookmark self-reference.**. Coverage data for AMG 1 is equal to PNAFN coverage (figure 8).

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[96] Ibid., p. 1.

[97] Ibid., p. 1.

[98] World Bank, 2015a, p. 26.

[99] Ibid., p. 4.

[100] Chahed and Arfa, 2014, p. 1.

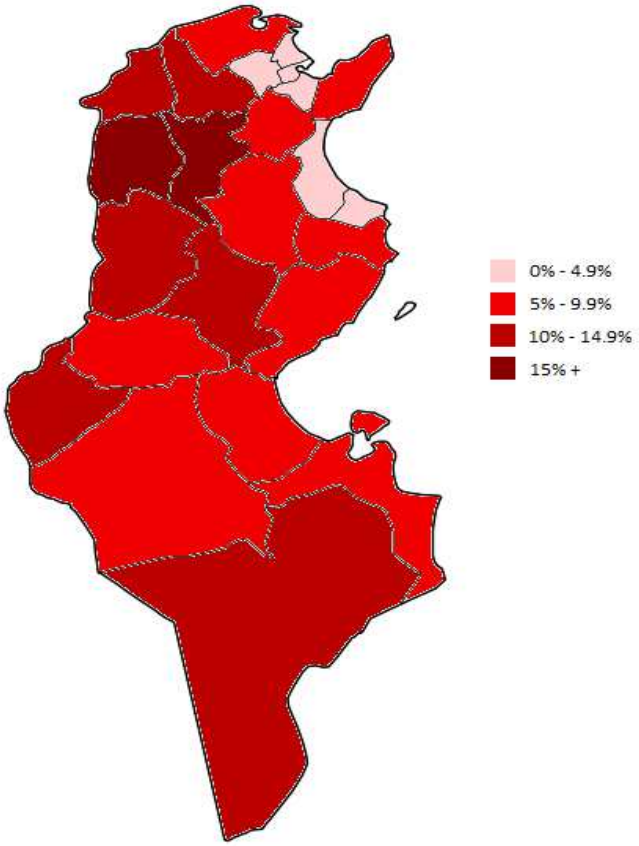
[101] World Bank, 2015a, p. 29.

[102] Arfa and Elgazzar, 2013, p. 3.

[103] Ibid., p. 6.

[104] CRES, 2015, p. 3.

Figure 10. Population enrolled in AMG 2, by governorate, 2011-2014



Source: World Bank, 2015a, p. 35.

The total number of recipients of free or subsidized health care is limited to a quota set by the central government based on past data and projected numbers. Based on this, 27 per cent of the population are entitled to AMG, both free and subsidized care. In 2013, recipients of AMG 1, together with the 10,000 persons on a waiting list, totalled 195,000 households, or 7.4 per cent of the population.[105] In the same year, a further 557,900 households, or 20 per cent of the population, received AMG 2 for subsidized care.[106]

Local committees at district level receive applications for AMG benefits, which are referred to regional committees for approval based on the criteria issued by the national committee, housed within the Ministry of Health. AMG access to health is provided through public health facilities under the responsibility of the Ministry of Health.[107] It is the PNAFN, however, that issues free health cards and the Ministry of Social Affairs that maintains the national database of beneficiaries. In other words, while the Ministry of Health delivers health care to AMG beneficiaries, it has no part in the running of the programme itself.

Arfa and Elgazzar note that "current eligibility determination mechanisms leave ample room for corruption, lack of transparency, and inequity".[108] Furthermore, programme evaluation across the social

[105] Arfa and Elgazzar, 2013, p. 7.

[106] Ibid., p. 7.

[107] Chaabane, 2002, p. 10.

[108] Arfa and Elgazzar, 2013, p. 8.

assistance areas is weak. Benefits packages lack clarity, management of information is inconsistent and monitoring and evaluation of health-care needs and provision is deficient.[109] Furthermore, mechanisms to registering grievances do not exist.

Access to health care remains uneven in Tunisia. CRES notes geographical disparities whereby urban centres not only have higher numbers of health practitioners but equally enjoy a higher quality of care. If local health care in rural zones is absent or insufficient, additional costs incur to households by travelling to urban areas for care.[110] It is likely that beneficiaries of AMG still make out-of-pocket payments for primary care and medicines to compensate for "long queues, inadequate quality, or a lack of medications in stock, particularly outside of the capital and main cities".[111]

Conclusion

As has been outlined, social protection in Tunisia is well developed and with its social insurance, social assistance programmes and social health care, it offers different forms of protection against social shocks to its population. Following the popular uprisings of 2011and in response to calls for greater social justice and equity, improvements were made to the previously existing, already strong, social system.

Despite its qualities and strong points, Tunisia's social protection system still has room for improvement during the coming years, namely, to target inequalities in geographical coverage, strengthen governance, for instance the fragmentation of social assistance, and provide more comprehensive social insurance in the case of unemployment benefits. Steps being currently taken towards a unified national registry will contribute to broader social protection by enhancing targeting, coordination and efficiency.

[109] Ibid., p. 14.

[110] CRES, 2015, p. 3.

[111] World Bank, 2015a, p. 27.

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