



Corruption and the Tunisian Economy: Strategies for Sustainable Solutions

On February 10, 2018, Afkar gathered 55 key stakeholders on the topic “Corruption and the Tunisian Economy: Strategies for Sustainable Solutions.” The conversation was directed by Mohamed Chafik Sarsar, Professor at the University of Tunis (Manar) as rapporteur, and Ismail Ben Sassi, founder and CEO of ilboursa.com.

Stakeholders represented over 30 entities from the Tunisian government, civil society, the private sector, international organizations, professional associations, educational institutions, and diplomatic representatives.

DIAGNOSIS OF CORRUPTION IN TUNISIA

This Afkar edition began with a frank evaluation of the state of corruption in Tunisia, and a discussion of the following points:

- Corruption as a threat to Tunisia’s democratic transition and a destabilizing force on the economy and security
- The prevalence of corruption in Tunisia in 2018, including whether or not corruption is more prominent now or before the 2011 revolution, changes in the nature of corruption, and the introduction of new forms of corruption
- The economic impacts of corruption, such as market distortion, reduced investment (especially foreign investment), the creation of a hostile business climate, parallel economies, smuggling, and Tunisia’s placement on international blacklists for tax havens and money-laundering
- The discrepancy between legislation and other official measures to address corruption, and their effectiveness in preventing or punishing acts of corruption
- Implementation of rule of law and a lack of political will to effectively address corruption

Afkar gathers a critical mass of empowered stakeholders around a problem requiring urgent action to establish a dialogue between the diverse entities address the issue and to develop implementable solutions. This year, Afkar is implementing six editions of Afkar to address economic challenges in Tunisia.



- Public perceptions that corruption has increased, and the impact of recent events on public confidence in government anti-corruption efforts
- Top-down versus bottom-up approaches to addressing corruption and the current state of coordination between anti-corruption and other regulatory bodies

RECOMMENDATIONS

Over the course of the day, Afkar participants proposed and discussed specific, implementable solutions to better address and reduce corruption in Tunisia. These recommendations are as follows:

1) Finish establishing key rule of law institutions, including the Constitutional Court and other bodies mandated by the 2014 Tunisian Constitution:

Participants opened the conversation with multiple interventions regarding the rule of law and the indispensable role that it plays in countering, and preventing, instances of corruption. In this context, participants stressed the urgency to finish establishing key institutions intended to support the rule of law, such as the Constitutional Court and other constitutionally-mandated bodies. Additionally, participants emphasized the importance of actually applying existing laws and anti-corruption mechanisms already on the books. For example, one participant suggested that, if an official is required to declare his or her financial assets within a certain period and fails to do so, this official should be immediately prevented from exercising their duties.

2) Strengthen electronic management systems and make information about administrative procedures more readily and publically available:

Beyond just implementing existing systems designed to reduce or prevent corruption, participants proposed developing and implementing additional anti-corruption measures. building an integrated information system to reduce the possibility of human interference and tampering and to speed up slow administrative procedures, which themselves often incentivize corruption.



3) Develop an urgent plan to tackle the most corrupt sectors:

In addition to an overall strategy for countering corruption, participants suggested a rapid response to counter the worst instances of corruption and increase confidence in anti-corruption efforts. This confidence would in turn contribute to a longer-term, successful anti-corruption policies. Moreover, these focused efforts could provide concrete evidence of the potential of implementing anti-corruption legislation.

4) Increase the human and financial resources for monitoring anti-corruption institutions:

The institutions and structures charged with combating and monitoring corruption cannot be fully effective without strengthening their human and financial resources. Therefore, participants proposed increasing the human and financial resources given to anti-corruption bodies.

In addition to increasing resources, several participants stressed the importance of funding anti-corruption efforts on a nation-wide level, with reference to Chapter VII of the Tunisian constitution, which addresses local-level authority. This is because decentralization and local-level authority may pose new, particular challenges to anti-corruption efforts, especially in the light of Tunisia's ongoing decentralization efforts.

On a similar note, several participants raised the issue of political will, coupled with the fact that those placed on the front line of tackling corruption, such as customs agents, often lack the will or resources to do so. On this topic, participants discussed strategies for compelling changes within these institutions, including changing the incentive structures (such as changing pay grades within customs and other regulatory bodies), as well as reviewing conflict of interest policies.

5) Reduce cash transactions:

Participants also recommended adopting measures to reduce cash transactions, which are more difficult to track and monitor. Reducing cash transactions would also help to reduce instances of parallel economies or informal trade.



6) Review state-controlled monopolies:

In the context of the discussion, participants also put forth the need to review state-controlled monopolies, especially those governing products not produced in Tunisia. Moreover, these monopolies encourage smuggling. Some participants suggested that certain state-controlled monopolies should be dismantled and, in their place, that imports be permitted, though with the necessary custom impositions.

7) Dismantle the culture of nepotism, cronyism, and impunity:

Over the course of the conversation, participants consistently returned to the prevailing culture of nepotism, cronyism and impunity. Participants agreed that there should be a durable policy to dismantle these practices and the enabling culture behind it.

8) Exercise due diligence in selecting officials responsible for countering corruption, including ensuring that they meet specific requirements and qualifications:

Finally, participants discussed the officials responsible for countering corruption within official bodies. During the conversation, a number of participants contended that these officials should be selected carefully, including a full review of the person's qualifications for the position, including ensuring that there are no conflict of interests. For example, several participants suggested that anyone who does not meet the requirements for the position should be excluded in order to ensure the institutions' efficiency and to prevent a public erosion of trust in the institution's integrity and operations. Moreover, there should be clear terms of references to determine the qualifications required for these particular positions and to ensure that qualified people are in fact considered and chosen.