



AFRICAN FORUM AND NETWORK
ON DEBT AND DEVELOPMENT

Beyond Borrowing: Rethinking Tunisia's Debt Management

ما بعد الاقتراض: إعادة التفكير
في إدارة الديون السيادية

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In 2022 and 2023, OTE has steadily worked on advocacy against austerity reforms imposed by International Financial Institutions. While great outcomes emerged from this work, the conversation around a debt management strategy that would allow Tunisia to better navigate its debt sustainability in the future was still absent both in public spheres and among policy makers.

This activity was organized to spark the conversation on this issue, in the context of current economic crisis exacerbated by high public debt.

Tunisia faces transparency issues in debt management practices, limiting public access to crucial financial information. Moreover, the legal framework governing indebtedness in Tunisia is highly fragmented, further complicating effective debt management and oversight by the parliament as well as by civil society organizations. Addressing these multifaceted challenges necessitates

a thorough understanding of the current situation and a strengthened capacity to navigate the legal complexities surrounding debt contractualization.

On another note, while feminist organization lead the way for advocacy regarding austerity and debt reforms through global south civil society, the topic of debt did not emerge as a priority for feminist organizations in the Tunisian context. The feminist discourse on the intersection of debt, gender and development remains underexplored and minimally developed. It was important to initiate a dialogue on the involvement of feminist organizations in shaping the national debate on government debt policies.

The conference highlighted critical issues surrounding Tunisia's escalating public debt, which has increased fivefold between 2010 and 2023, posing a significant burden on the economy. Key discussions revolved around the inadequacies of the current debt



management framework in Tunisia to ensure proper accountability and allow institutional oversight over government orientations with regards to debt.

Recommendations from Mr. Sami Boussida, director of studies at the Tunisian Institute of Competitiveness and Quantitative Studies stressed the urgency of proactive public debt management strategies, including converting debt into productive investments, prioritizing internal debt, and restructuring public finances to stimulate economic growth. Ameni Ben Sik Ali, a policy analyst at the Tunisian Observatory of Economy, presented a detailed analysis of Tunisia's public debt structure/portfolio, identifying reasons for its accumulation and emphasizing the barriers to accountability posed by transparency issues and fragmented legal frameworks. Ameni also presented recommendations from civil society organizations related to enhancing transparency mechanisms to improve accountability, such as strengthening the role of the Court of Auditors, supporting citizen-led audits, and empowering parliament to oversee loans. She also highlighted the need to advocate for a comprehensive legal framework for debt management and a sovereign development strategy to reduce dependence on international financial institutions.

Jason Rosario Braganza, the executive director of AFRODAD, contextualized Tunisia's debt within Africa's historical context of colonialism and criticized creditor practices that perpetuate dependency, advocating for long-term development strategies and Africa's autonomy in global economic relations.

The discussion with participants emphasized the importance of having an efficient public debt management system also highlighted the role of the central bank and parliamentary oversight in loan approvals and stressed the role of the Court of Auditors in ensuring transparency and accountability in public fund allocations and debt management. The need for Africa to assert itself in global financial governance was underscored, advocating for regional cooperation and proactive policy measures to address systemic debt management challenges and foster sustainable economic growth.



Additionally, the workshop on Legal and Policy Perspectives on Tunisian Debt, led by Dr. Lyla Latif and Afshin Nazir, provided participants with theoretical insights and practical exercises to enhance their understanding of debt contracts. It began with an exploration of the colonial origins of debt contracts, highlighting how historical factors have shaped contemporary debt dynamics. The workshop emphasized the risks that may arise from the terms and conditions within a debt contract underlining the red flags that negotiators should spot and beware of, which can expose the country to threats like unbalanced commitments between the two parties, the sale of the country's debt on secondary markets to vulture funds due to contract opacity, or costly collateralizations that may be given to creditors in the case for renegotiations of the loan contract.



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Tunisian Feminism and the Issue of Debt

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The second day of the event focused on the intersection of debt and feminism in Tunisia, initiating discussions on how these themes have been marginally explored within Tunisian feminist circles. The participants, representing diverse Tunisian feminist organizations, engaged in a collective exploration of "sovereign debt" and its gendered impacts. They recognized the debt crisis as a critical issue exacerbating human rights violations, particularly for women. The discussion highlighted the negative consequences of conditional debt and the IMF's austerity measures on women's rights. Participants also, emphasized the need for an intersectional analysis of debt, considering its impact on pre-existing legal and economic structures that marginalize women. The involvement of Tunisian feminist groups in addressing the gendered impacts of debt has been characterized by both successes and challenges. Despite internal and external obstacles, these groups

have made significant strides in advocating for women's economic rights. While diverse feminist traditions and perspectives have sometimes led to differing priorities, the collective efforts of these organizations have contributed to a shift in societal thinking regarding women's rights.

There was consensus on the lack of feminist knowledge among scholars and organizations about the intersection of debt and feminism, highlighting the need to address this gap and emphasizing the ideological framework and potential of feminist analysis to promote heterodox economics. Additionally, insights from Catherine Mithia on Pan-Africanist feminist perspectives were shared, emphasizing the impact of debt on women within a global economic order and the importance of a feminist approach to rethinking debt-financed growth models that often exacerbate inequalities for African women due to unfavourable borrowing conditions.