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JOYCE: Today is February 14th, 2016, my name is Robert Joyce. I'm here in Marsa, Tunisia with Dr. Hakim Ben Hammouda. Dr. Ben Hammouda, thank you very much for talking to me.

HAMMOUDA: *It's a pleasure, thank you Robert for coming.*

JOYCE: I'd like to start off with the story of how you first came to join Mr. (Mehdi) Jomaa's government, how and under what circumstances he contacted you?

HAMMOUDA: *First, let me thank you for the interest in our experience. As you know, I am a well-known economist in the country, and I had strong experience at the international level. I was Chief Economist of the UN (United Nations) Economic Commission for Africa, but I was living outside the country for almost twenty-five years. Of course, I followed the revolution. I wrote a lot on the revolution, for example about the changing political regime as a condition for economic transition.*

Then, in 2011, I had the opportunity to join the African Development Bank as a special adviser and the share partner of the president of the African Development Bank, and at that time the African Development Bank was based in Tunis. It was really a pleasure. First, I wanted to come back, to follow and to be a part of the dynamics, and second, in fact the African Development Bank was challenged by the Arab Spring, and the president wanted to have one of the advisors coming from the region who knew very well the challenges of the region. That is how I came to join the African Development Bank.

Of course I was following the difficulties and the transitions, and in fact I'm known because of my academic work and published books. More importantly, I'm known because I had been writing a column in a news magazine called Réalités for almost twenty years, and I had the last page. So although I was not living in Tunisia, people thought I was in Tunis because I was writing that for twenty years, until now in fact. I was writing that for the last twenty-five years so I was known by that column. That column was basically dealing with economic issues.

I also was known by some papers around the global crisis in this newspaper about global crisis, about its impact on Arab countries and more particularly Tunisia. So I was quite known as an economist by the public and also by a lot of political leaders. But at the same time known, because of my involvement in international institutions, by my political independence.

So I never met Mr. Jomaa and frankly I didn't know him before. When he was appointed, many friends, political leaders, contacted me to tell me that I needed to join this experience because I was known at this time to contribute, and this was probably the best opportunity for me because I am independent and this was going to be a technocratic, independent government. They put a lot of pressure on me to do it. Frankly, I didn't see myself knocking on Mr. Jomaa's door, a guy I never met and telling him look, I would like to be a minister. It is not the way in which I work. So I told my friends yes, yes, and then I left with my wife at the end of December for holiday in France and stayed there for some time. In fact, I was preparing my course on International Development Economics that was supposed to take place the first week of January at the University of Grenoble.

One day Mr. Jomaa assistant called me saying that Mr. Jomaa would like to see me. I said no problem but it is going to be in fifteen days because I'm out of the country for fifteen days.

She told me that it was quite urgent, and he needed to talk to me. So she called me later, a few minutes later saying he would like to talk to me on the phone. We had a long conversation on the phone. It was the first time. It was a very cool conversation and very nice. We spoke about the new transition period opened for one year to prepare independent elections and the challenges for Tunisia and the need to, of course, to succeed in this process.

Then the second part of the conversation was about me joining the group he wants to put in place. He was with the Governor of the Central Bank, Mr. (Chedly) Ayari. I think you should probably meet Mr. Ayari. He was very close to our experience; he knows the experience quite well. He told me he was with Mr. Ayari because he knew from town, which is true, that I never say no to Mr. Ayari.

He told me that I was the first one. I don't know if he told you but he is a very organized man. He was chosen around the 15th of December, and he spent the first two weeks meeting people to discuss priorities of the new government.

Then he contacted me on the 31st of December, something like that. So he told me that I was the first one he contacted and he would like me to join the team in any position I want.

I was joking. I told him I would like to be the Minister of Sports. First, I told him let me think about it. But he asked me if I were to respond yes, what would be the position. I told him I wanted to be the Minister of Sports because I'm good. I am probably technically as good as an economist in sports. Also, since I was a child, I have gone to stadiums to see football games for fun, so I told him my dream was really to go to the stadium without making the queue and without paying.

He has a lot of humor, a good sense of humor. He told me, "Look, Hakim, I promise you that you will go to the stadium without making the queue and without paying, but you will not be Minister of Sports." So I told him look, I need to have some time to think about it first, but he wanted to know exactly. So I told him, "Look, you probably have an idea about the positions in the cabinet you want me fill." He told me Minister of Foreign Affairs. For him, Minister of Foreign Affairs for two reasons. First, because I spent many years outside Tunisia, I have a lot of contacts, a network. Second, he thought that for the time being the Minister of Foreign Affairs was more important and in fact was going to develop economic diplomacy, and that is why he wanted me to do that.

Frankly, I told him no. I'm not interested. I told him look, first, I am an economic person and frankly I don't see myself dealing with foreign affairs. I would like to stay in the world I know.

Second, I told him frankly, this is my personal feeling, for the last two to three years I traveled too much and I would likely really to sit, not to travel. Being Minister for Foreign Affairs I was going to continue traveling He told me if it is not going to be a Ministry of Foreign Affairs will be a big economic department which was at the time almost three ministries. I was in charge of finance, international cooperation and investment, and the state properties because they were providing some revenues too. So I was in charge of these three departments. With a big conversation of that level, I wanted to discuss with my family, to think about it. We agreed to talk in one or two days.

So I spoke with the family; the position was no, they don't want us to be part of the process. At that time in fact, I remember, at that time there were political assignments et cetera, so security-wise the situation was not good. My daughter

was really very shocked. She was crying and she didn't want me to be part of the process. My wife also. They were very—it was a difficult moment. It was a very difficult moment, but as for me, I was convinced that at a personal level I would never forgive myself that I was offered the opportunity to serve the country and I said no. That would stay with me for a long time.

Then probably people would know that I was offered this position and people would also never forgive that I said no. Probably I was thinking that most likely people would think—because of financial—I was very well paid as a Special Adviser to the President of the African Development Bank, huge money.

So I spent two days talking to my family and I explained to her my argument. Finally, I got their approval after very complicated conversations. So Mehdi Jomaa called me back and I told him, look, I think in the third or fourth call, because when he called me the second time I think the conversation was still going on with my family and I was not yet able to convince them. So the third time when he called it was done, and he was quite happy. I think one thing important is probably from the first conversation—we were from the same age, we never met before, never, ever. In fact including physically I don't know who this guy is. Because you know that was a period when change of government was—big governments and you don't have time in fact to know who he is, and he was in the marginal ministry department. His ministry was not one of the main ones.

So finally we agreed, and he was very happy. I was also happy and energized by this. He immediately asked me to work on the economic priorities for the country. I think I worked on a paper. He told me he wanted me to come back very quickly, to stop my vacation and come back to Tunis, which I did. Two days later I was with him. I was the first time. We were in a little team, myself, his secretary and his brother, Ghazi Jomaa, who was helping him at that time. But in the meantime he asked me within the two days to work on it. So I sent him the paper on what I considered the economic priority. Basically that is what stayed with us until the end. For me, the economic priority of the country at that time was—we call it in French 'redressement économique' (economic recovery). That was the title of our budget, Towards the 'Redressement Économique,' with two or three main issues.

First is the macro economic.

JOYCE: Just to narrow what—this is my next question is how you set the priorities for the country once you were minister. How do you get from Mr. Jomaa's nominated as Prime Minister in the context of the roadmap, in the context of national dialogue? There are some broad mandates of the national dialogue process in the roadmap. So how was it that you got from those priorities, broad priorities, to the specific objectives that you would follow through on once in government?

HAMMOUDA: *Of course. I forgot to mention two things. First, that I was following closely the economic situation of the country, but also beyond the country, of the Arab Spring as special adviser to the president of the African Development Bank, because at that time the African Development Bank was the coordinator of the Deauville partnership. The G8 Summit in Deauville issued the partnership for the Arab Spring countries. The African Development Bank was the coordinator of the support given by multilateral development banks to the Arab Springs countries, and I was the one basically following that. So I was familiar since 2011. In 2011, 2012, and 2013, in fact, I attended all the G8, Minister of Finance meetings with the president of the African Development Bank and I was part of the whole coordination, so I was familiar with the challenges facing the kind of support the*

IMF (International Monetary Fund), African Development Bank, World Bank, multilateral banking institutions. So I was really very, very familiar with the global negotiations about Tunisia, about the support of the international community to the Arab Springs et cetera. So I was very, very familiar with that. This is one.

Second, I was following, in Tunisia and other countries, the political development, and I of course knew the roadmap. I think that on the economic side the roadmap was quite limited. The main economic objective was to improve the economic situation.

JOYCE: Yes.

HAMMOUDA: *So I developed the paper, and I think that is the point of view Mr. Jomaa adopted and the government adopted. The debate among us was should we limit the scope to improving the macroeconomic, to stabilizing the macroeconomic situation, or go beyond. It was a debate within the country after. I developed the vision of the government, and it was adopted then. I thought that macroeconomic stabilization was not enough. I thought we should go beyond and probably do a lot of economic reforms. Basically, the banking sector, the fiscal tax reforms, subsidies. Mr. Jomaa started the subsidy reforms when he was Minister of Industry, the subsidies on energy, and Mr. Jomaa was quite happy that I advised because he started already the economic reforms, the reform of the subsidies. He was quite happy that I suggested that we should not limit ourselves to the stabilization effort of the macro, but we should go beyond.*

So I developed the first paper. On the first or second of January, I sent it to Mr. Jomaa. Then I came on the third of January to Tunis, and we started working on it. We started really working on the four aspects of the economic policy. The first one is of course the macroeconomic stabilization, second is the effort to start and maintain growth, third is of course the economic reform, banking sector and fiscal tax reforms. The fourth is the social inclusion. These were the major priorities of our government.

Then in fact the team started in the Ministry of Industry; people started coming. The Minister, Ghazi Jeribi, I think you should probably have a conversation with Ghazi. He is probably one of the key guys, at least in the preparation of the vision.

JOYCE: Defense Minister?

HAMMOUDA: *Yes, the Defense Minister. All the others in fact joined later. Hedi Larbi joined probably one day before we go to Parliament.*

JOYCE: Yes.

HAMMOUDA: *Minister of Foreign Affairs, same thing. They joined. But the group worked around Jomaa. These almost three weeks or more until the 28th of January it was myself, Nidhal Ouerfelli, who was at that time Mr. Jomaa's Minister of State, Mr. Ghazi Jeribi, the Minister of Defense, and we had Hatem Atallah. I think you should probably talk to him. He was Mr. Jomaa's adviser on international affairs. These were the four people who worked day and night in fact on the priority.*

From the priority, we drew his speech in the Assembly. So that team in fact was able to have the priority and the vision of the government.

JOYCE: Was there a written vision distributed to the public or to the political parties?

HAMMOUDA: *Speech.*

JOYCE: Just the speech, okay. And in these three weeks that you're coming up with the priorities of the government do you consult with the political parties and with the content leaders?

HAMMOUDA: *No. What we found, Mr. Jomaa did the first part. As I told you about the way in which he worked, the first—He was appointed I think on the 13th of December. He spent from the 14th up to the day he contacted me—I was the first person, I think it was 31st—*

JOYCE: Yes.

HAMMOUDA: *All that time he spent in meetings with political parties hearing their priorities. What he did in fact, he asked them to give him their priorities, their visions and he collected all that in a PowerPoint document. So we were establishing the priorities of our government having in mind the fact we had this document. I think it was prepared by a guy who was sitting with Mr. Jomaa when he was meeting with the political parties.*

JOYCE: Do you know what his name was?

HAMMOUDA: *I think it was—because I was just offered the position—. We took a lot from it. Nidhal Ouerfelli worked on it. The team that was working with him as the Minister of Industry worked on it. So we had the contributions in a very good—. For each meeting, we had what the guys suggested for him economically, socially, politically, so we were able to go through that.*

JOYCE: Okay.

HAMMOUDA: *And basically they were not far from what our thinking was. So based on that and our thinking, our interactions, our briefing—in fact, sometimes Mr. Jomaa would join the team and continue the conversations. We had the roadmap also. So we were able from the roadmap, the notes of the conversations he had with the political parties, and our own thinking to establish the vision of the government and the priorities.*

JOYCE: Was it from that that I understand each minister had a sort of contract or agreement with Mr. Jomaa?

HAMMOUDA: Yes.

JOYCE: Is that where the objectives in those contracts came from?

HAMMOUDA: *Yes. Then it was translated. When Mr. Jomaa went to the—I think three or four days after—each minister received on the basis. So we knew what each minister was supposed to do. Each minister received his own feuille de route, his own roadmap, and his own contract. That work was done at the level of the Prime Minister's office by two or three people, I think the former Secretary-General of the government and two other people. They just translated for each minister, including myself. I was not surprised because I was part of the team that designed that document.*

JOYCE: The former Secretary-General, that's Mr. Ridha (Abdelhafidh)?

HAMMOUDA: *No. It is Mr.—in fact who retired two months later. He was replaced; Mr. Ridha replaced him.*

JOYCE: So before.

HAMMOUDA: *But I'm sure that Mr. Ridha was part of the process.*

JOYCE: Okay. So now you have these priorities and you're working towards them. I'm interested in how coordination worked within the cabinet. So one more visible example that Mr. Jomaa would talk about often while in office was his security cell, right, this crisis cell. I'm wondering if something similar, some sort of similar structure existed on the economic side in which he would get the key ministers together to shape economic policy.

HAMMOUDA: *I think what is quite important with Mr. Jomaa—and that was probably one of the—for each department in fact you have a leading minister. I was the leading minister on economic issues. We didn't spend much time, in fact, discussing the priorities because there was agreement on both the need to sustain growth, the need to improve the macro, and the need to really quickly the reform process and the social. So what we did in fact, for each issue, we were having a limited cabinet meeting with the ministers dealing with the economic issues. So for some of them—for example, the banking sector reforms, the subsidy reforms, the tax reform. Each measure, what would happen at cabinet meeting and the cabinet meeting was chaired by Mr. Jomaa, myself introducing, Mr. Ouerfelli was attending all the meetings and then the Governor of the Central Bank was attending all the meetings.*

JOYCE: Okay.

HAMMOUDA: *Then we would invite other ministers based on the agenda items. Kamel Bennaceur the Minister of Industry was involved in almost all the meetings dealing with subsidies. I think Mr. Larbi attended one or two because he wanted to express an interest in contributing. I think he attended one on the banking reform. So we were having cabinet meetings on the issues to make decisions.*

On economic issues we did I think something like fifteen, within that year, fifteen or twenty meetings on dealing with economic issues. More, more, I think more than twenty. For example, the first priorities of the budget; we had a lot of meetings on the budget for 2014. We revised the budget law. We passed the budget law on the 7th of August.

HAMMOUDA: *And the second budget too. So we had many meetings, but basically, I think we were given a lot of discretion from Jomaa, I think that's also his leadership, his ability to make sure that the guys who were in charge are the ones running— . To be sure, at least with, of course, coordination with his office and coordination with Mr. Ouerfelli. We had something like thirty limited cabinet member meetings dealing with economics.*

JOYCE: Right. Is this what was called the CMR (*conseil ministériel restreint*, core cabinet meetings)?

HAMMOUDA: *Yes, the CMR and CEM ('conseil économique mixte,' joint economic board)*

JOYCE: So the CEM was without Jomaa?

HAMMOUDA: *Without Jomaa.*

JOYCE: So both—you estimate around thirty meetings of those combined groups on the economy in the course of the year?

HAMMOUDA: Yes.

JOYCE: That's very helpful to know. And the Governor of the Central Bank, would he attend if Jomaa wasn't there?

HAMMOUDA: *No—it depends because we were very—me myself, on a personal level, I was and I'm still now very close to the Central Bank Governor. He was my university professor. So we benefited a lot from his experience. So I was having almost daily conversations with the Governor of the Central Bank—especially in fact about the IMF (International Monetary Fund). Then we have this—when we went on the market, the international market, we were inviting him and insisting, in fact, that he attends the meetings but clearly with the independence. What we wanted in fact was really his views, his analysis. But with an agreement on the independence of his own institution. That was very, very clear.*

JOYCE: Of course.

HAMMOUDA: *In fact we never, ever discussed central bank matters in the one year of cabinet meetings. They have their board where their issues are discussed.*

JOYCE: So the Ministry of Finance is involved in almost every topic across the government. So there are plenty of the CMR meetings and the CEM meetings in which some input from your ministry would be required and I would imagine that you can't possibly attend all of the meetings.

HAMMOUDA: No.

JOYCE: That you need to attend. So how would you delegate those responsibilities within—?

HAMMOUDA: *Of course all the CMRs, since they are chaired by the head of the government, I attended all of them. You have two different meetings. The meetings initiated by the Minister of Finance and that in fact CEM or CMR, I was supposed to attend because I was the one presenting, defending, and if I was not in the country we made arrangements with Mr. Jomaa's office to make sure that I was in the country when these issues were dealt with.*

Now there were meetings with economic or financial impact where I was not the one requesting the meeting. If it is a CMR, I attended because it is chaired by the Prime Minister, and if I was in town, I needed to attend. He wanted me to be present in all the meetings dealing—including the ones for which I was not the one initiating.

In the second part of the year, I came to the conclusion that it was difficult for me to attend all of them because I had a lot of work to do in the ministry. So I had two state ministers with me and then I had the permanent secretary of Ministry of Finance to represent the ministry.

JOYCE: Okay.

HAMMOUDA: *If the meeting had to do with investment, I sent one of the state secretaries. But when the meeting dealt with the financial situation, I would send the permanent secretary.*

JOYCE: Why is that?

HAMMOUDA: *Because he was closer to the financial situation of the country than the two state ministers.*

JOYCE: Did you select this person?

HAMMOUDA: *No. There were no political or limited political appointments when I came to the ministry. The former minister was from Ettakatol, one of the parties in alliance, and in fact he brought two advisors from his party. The second day after he left, both came to see me and informed me that they were resigning. In the ministry people acknowledged that they were political appointees, but people also acknowledged their technical contribution. So I was ready to let them stay for some time.*

At the same time, I was prepared. In fact I brought with me four people, four young people.

JOYCE: Where did you find them?

HAMMOUDA: *They were colleagues at the university. I brought them for two reasons, first, for them as university professors—all of them economic professors. I brought them to make sure that they had this practical experience. I thought this will help them in their teaching experience; how we design a political economy, how we think about it, et cetera.*

Second, I thought that also they could play a role because they will inform other civil servants, the high people in the administration, director generals, about the new developments in economic thinking.

JOYCE: Right.

HAMMOUDA: *So it was a win-win situation, but I was very clear with them. I wanted the rules. I wanted to run the ministry with the guys from the ministry, not with them. I didn't want them to be in the front; I wanted them to be supporting the work done by the ministry. I was very tough on these conditions. There were some incidents with some of them who wanted to be prominent, They worked very hard.*

As a matter of fact—and I'm quite happy and proud of that because when I left—. Normally, the administration will ask the newcomer just to get rid of the ones who were the advisors. In my case, it was different. It was the administration—permanent secretary and all director-generals—who went to see the new minister telling him please to keep on board the four people that I brought with me. The current minister met the four of them and asked them to stay. Two stayed with him. Another one, the third, went with another minister, Yassine Brahim, because with me she was covering issues with investment. The fourth one in fact she just got a job in a think tank and she wanted to leave. But the four of them were approached by the new minister, and now in fact two are still with the current minister. One is in charge of the banking reform; she started the banking reform with me. The other one was in charge of the macro situation and is still in charge of the macro situation, IMF negotiations, et cetera.

So that also was an important thing with Mr. Jomaa. It was clear no political or friendship appointments would be made. There were very limited appointments, and they would be made on the basis of technical skills. These appointees would not replace the administration—would not be in a circle with advisors and leading the administration. We implemented these rules in the Ministry of Economy and Finance.

JOYCE: So I want to ask, there are two main problems I would say that could come up in the course of the government that maybe you wouldn't expect. Maybe they are expected but one could be disagreements within the cabinet on the best approach to go or best—very specific decisions to make and then another one could be criticism from the outside, from political leaders, from civil society and how to respond to that. I'd like to talk about the first one right now which is problems or disagreements or slightly different visions within the cabinet and how you approached it. If I could get even more specific a couple of your colleagues have described slightly different visions within the cabinet between yourself and Mr. Larbi on slightly different approaches to the reforms. If I could get you to talk about those topics a little.

HAMMOUDA: *There were of course different visions, but frankly I thought the differences were not that big or that strong. I thought, and still today I believe in the need to have economic policy. I was within the new framework, the post 2009 global crisis framework insisting that we needed to have expansionary monetary policy. We needed to make sure there was a fiscal stimulus—public investment, expansionary fiscal policy. So I was supporting that. It was a crisis. There was a lot of uncertainty in the crisis and that in fact the private investment was not able—you had the same debate in 2009 and the Obama fiscal stimulus to the economy.*

That was my analysis of the situation; we needed the public investment to play a productive role. So these were my views. Of course from time to time people would disagree, but within of course the stable macro framework. These were my views and the views I expressed when in the government. Basically, by and large, these were also the views of the government. Maybe some of my colleagues were quite against the fiscal stimulus policy because they thought it was going to have an impact on the budget deficit. But me, I was supporting these views and basically these were my views before being in the government, within the government and outside the government—what people call the new Keynesian views.

It was clear we needed a fiscal stimulus. We needed less restrictive monetary policy. We needed to reduce the interest rates to really push the investment and to restore confidence..

The second part is about economic policy; the second part is the economic reform. So this basically was the framework. I contributed a lot. I was the one to put at least the basic framework in Mr. Jomaa's plan. Of course, then we had differences within the government about one or two aspects, but basically nobody questioned the whole framework.

JOYCE: I've heard it described as a question of how gradually do you take the reforms? Is it from one day to the next and make mass changes or to—?

HAMMOUDA: *My views on the reforms; I was supporting it gradually. I was convinced that the reforms were needed to support the growth, especially the banking sector reforms, but also I was supporting a gradual vision of the reform. Take for example the banking sector.*

In the banking sector maybe people wanted me to be more radical in the reform. You see, I am coming from the banking sector, and before privatizing a junk bank you need to restore the financials of the bank before putting it into the market. It is not that I was against the privatization, but I thought that with the political pressure at that time, and even now, it was difficult to privatize a bank from a political point of view.

But also from an economic point of view. I don't know if you followed the recapitalization of the three banks. It ended up in the state where nobody invested money. Some of my colleagues wanted me to do that, but nobody put money in these banks because they knew the financial situation. My views were let us improve the financial situation of the bank and then we move to the second stage—the privatization of the bank.

JOYCE: When you encounter these differences among your colleagues, what are some strategies to overcome them and to agree on a shared strategy?

HAMMOUDA: *Basically in fact we were having the debates within the cabinet about the different views, different options. All of us were supporting the debate within the cabinet, and the Prime Minister at the end of the day was making decisions. He would basically support the views coming from the colleague in charge of the department.*

We introduced some nuances, et cetera, and in that way one was in charge, one was empowered. But at the same time, after the debate, we took into account some of the nuances but basically the position was—for me, being in charge of the whole economic framework and the whole economic vision—as long as that vision was not questioned, the global vision was not questioned, I had really no problem. I think the differences—coming from different colleagues, including from the Governor of the Central Bank, on specific issues are quite good because they improve the proposal. I don't know how other colleagues were thinking about it, but for me, as long as the global framework was not questioned, having different views on some of the reforms, I was really open on that conversation. I was going to the specific conversation with an open mind. To me the most important thing was really the framework.

Let us agree that we needed to have a fiscal stimulus, we needed to have a monetary policy that will support investment, agree on the improvement of the stable economic situation, macro side of growth. All the others for me are negotiable. So I didn't lose sleep because of these differences. Some of the colleagues wanted really to make a big case, but for me I was very open on the discussion, on the conversations, trying to explain if I thought that it was lacking, but also being ready to change my original plans or reforms. That is how I implemented. But basically, like for the budget, I'm the one who decided the priorities of the budget.

Basically we had to change some of the issues within the budget but basically the framework stayed with us.

JOYCE: That's within the cabinet. I sort of understand that you would want to empower the minister in charge of that sector.

HAMMOUDA: Yes.

JOYCE: But nuances that come up in the discussion are very valuable. Now how do you address criticisms from outside of the cabinet, from civil society leaders? We know in Tunisia the UGTT (Union Générale Tunisienne du Travail, Union Générale Tunisienne du Travail/Tunisien General Labour Union) is very strong, but also the political parties. So your cabinet and yourself, you were approved by the assembly but you weren't elected, so it is a different sort of mandate I would say for the government. I wonder—there was significant criticism from the Popular Front for example for international loans, for a freeze on public hiring, for a freeze on public sector wages, cuts to subsidies.

The UGTT was also similarly critical on these issues. How do you respond when you're a member of an unelected government in power for a year and you have this fairly significant criticism being leveled at your decisions?

HAMMOUDA: *Well, this was an opportune part of it.*

So I was almost on a weekly basis on either a TV program or a radio program or interviews in the newspapers just to explain our economic priorities. Also having some chroniques (regular newspaper columns), I was well-known with the press. With the civil societies we were also having regular conversations and dialogue on the economic priorities of the government, and I did many programs with them trying to explain.

Second so the way in which we were dealing with that criticism, I think with different principles. The first is openness. Being open, discussing things. I received for example Hamma Hammami. Hamma Hammami and the Front Populaire developed an alternative budget. They came to give it to me, Hamma Hammami and a strong delegation from the Front Populaire. I knew Hamma for many years.

I think the difference also probably, I was the only member of the cabinet who was a political activist when I was at the university. The beginning of the '80s I was still independent, but a democratic political activist, supporting democracy, et cetera. So I knew all these people because all these guys who are dealing with the political scene today, they were in the university in the beginning of the '80s. Mohsen Marzouk, Hamma Hammami, Najib Chebbi, [Indecipherable 01:01:20], [Indecipherable], all of them were activists, so I knew them. Because I was an activist, I knew all of them, and we had personal relations.

When I left in 1984 to France, I stopped political activism. I continued doing my research and being a researcher, but following the political situation, still supporting in fact the need for a democratic transition but without being an activist in any political movement—but supporting in fact the need for democratic transition. That was my position from the beginning of the '80s. So I was very well known in the university as an activist. So there is some—including from the UGTT leaders..

I was the one contacting them, discussing with them. As I said, I was, in this period, very active, but still independent. The beginning of the '80s I was supporting only the need for a democratic transition. Then 1984, when I moved to France, I stopped being an activist but continued having some relations with people from different backgrounds, from the Islamic movement, very strong relations with Rached al-Ghannouchi and all the leadership of the Islamic

movement. Also from Chokri Belaid because we knew each other. There is on a personal note some confidence.

To come back to the way in which I was dealing, so that helped a lot. First it was the openness, being open. These were friends; I knew them. So my office was open to them, to receive them, to discuss with them in a very open manner. When Hamma Hammami came, he thought that was just going to give me his budget. I said, "No, what you are going to do, Hamma; We are going to have a two-hour session, and you will present your program in the presence of the high-level people in the Ministry of Finance, and these guys are going to respond to it."

In fact I played an important role explaining to the high-level, senior officials in the ministry that the time of Ben Ali has gone and now they need to explain to the people. They need to go to the—in fact, I am the one who did the program for them, the communication training program, to help them to go to the radio, to TV programs, et cetera. You need to explain why we should reimburse the debt. There are a lot of people who think that we should not; you need to explain it and convince. It is now an open discussion—and I spent a long, long time convincing them that that old time is over. The time of authoritarians is over. Now we need to explain.

We had a very open conversation with Hamma arguing, et cetera. So first it is openness, being ready to respond. I strongly believe in leading by example, and I thought that by having this session, it would encourage the senior officials to be the same as me, to be open to discuss. Just when they make a decision to be able to support that decision and not avoid the conversation. I think being open—being open, understand, respond—that is really the most important thing.

The second I think is the negotiations, also being ready to negotiate, for example with the UGTT, with the UTICA (Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat), on some of the proposals.

JOYCE: Can you give me an example of a negotiation in which the government conceded something?

HAMMOUDA: *For example, I wanted to give VAT (value-added tax) free for each new investment in 2014. My colleagues in the government were against this because we cannot give to new investors VAT free when we are trying to reduce the budget deficit. I told them that I think encouraging the investment will support growth and that will help us. They are not opposite.*

So on that issue, when I discussed it, negotiated with—and that was a big fight in the Parliament, and I was able to win that fight. But when I had the negotiation with the UTICA, the investors, they told me look, Mr. Minister, from now to the end of the year is not enough. Give it up to the end of 2015 because you know the investment—that will help the ones who are about to invest because investment is something like eight to nine months. So if people are encouraged by that they will not be able to do their investment before the end of the year. They pushed it to 2015.

JOYCE: What about with the UGTT? Mr. Jomaa sort of described a position of just being rather strong against the UGTT.

HAMMOUDA: *No, he was not that.*

JOYCE: Could you—?

HAMMOUDA: *I think we were able to negotiate with them. We were able to give and take.*

JOYCE: What was their—they made statements on a lot of different things but in the negotiations with the UGTT what were their basic priorities?

HAMMOUDA: *The priorities were salaries.*

JOYCE: Salaries for public sector?

HAMMOUDA: *Public and private sector. That was really the priority.*

JOYCE: Okay.

HAMMOUDA: *All the others like the debt issue, the big economic policy, no. The basic one is salaries.*

JOYCE: So how do you compromise on that?

HAMMOUDA: *I think we were strong.*

JOYCE: Private sector salaries went up; private sector minimum wage went up.

HAMMOUDA: *Public sector and private sector, but we refused to open the general negotiation on an increase of the public sector salaries. But we were able to give to some sectors in fact some of their specific agreements like teachers, et cetera. We were strong because they wanted to have it all. But at the same time we had to give and take. So we negotiated.*

JOYCE: Right.

HAMMOUDA: *The third principle is really being strong on what we considered to be an important issue. I'll give you one example. The transparency on personal banking accounts. I am the one who proposed the law. When you had a fiscal review, up until our time, the administration was not able to have access to the banking accounts of the people who were under review, and I am the one who changed it.*

JOYCE: Under review for what?

HAMMOUDA: *For tax.*

JOYCE: Evasion?

HAMMOUDA: *Yes, tax evasion. So I am the one who did it. That created a lot of strong opposition from the UTICA, including from the Central Bank. There was strong opposition also from some colleagues in the government. But I didn't compromise on that because I thought that it was a strong signal of our commitment to combat fiscal evasion. On that issue, I got support from the Prime Minister.*

JOYCE: Just a follow up—.

HAMMOUDA: *The main argument of people, if you are going to do that, is that people will take money from their bank accounts and put them in—that will create huge problems.*

JOYCE: So they'll move their money abroad maybe or something like that.

HAMMOUDA: *But I didn't compromise on that and I explained to the Prime Minister because combating evasion was one of our priorities. I told him look, this is the time to be strong and to be on our toes on what we want to implement. I lost in the first vote, I lost.*

JOYCE: In the cabinet?

HAMMOUDA: *No, not in the cabinet. The Prime Minister decided that he supported me on that, so we went to the Parliament. We lost the first vote in the Parliament. I decided to come back two, three days after. I put a lot of pressure on some of the members through the press, saying, "Look, all these people are saying that they want to combat evasion, but there is no coherence between what they are saying and what they are doing." I gave that example. All of them are saying we are combating evasion but when it came to it, they voted against it. So with that we were able to win it. I can't remember the names of the colleagues in the cabinet, but some colleagues in the cabinet were against it. But I told the Prime Minister that we are not going to compromise on that.*

I signed also the exchange of information with the US (United States). I'm the one who did it. I was ready to do it with any other government who asked for that because I strongly believe that that is also an important element to have transparency.

JOYCE: Can I ask just going back briefly to the UGTT negotiations, was there any point—the UGTT has a special role there. They one represent a constituency but two they're an essential mediator to the national dialogue talks that were ongoing at the time. So at any point is there a—how do those two roles manifest themselves in the negotiations? Do they have this leverage over the government?

HAMMOUDA: *Yes, in fact they tried all the time to remind us of their role. Every time we acknowledged the role they played, but we told them look, we have two separate things. We have the role that you are playing—that you played in the past and you are going to continue to play, and we have the negotiations. The negotiation is a different issue. So we were all the time—.*

JOYCE: Separating?

HAMMOUDA: *Yes, separating the two. We have the role you play, and also at the same time there is the public finance. I was part of most of the negotiations. I think it was difficult. It was not easy. It was complicated. They were in their role. As I said, the negotiations were tough, but we were able in fact to have good outcomes of the negotiations. So I think in our government there are different views of the UGTT role and the way in which we should interact with UGTT.*

My views were that they were in their role. We needed to give what we could give, but at the same time stay strong. That was my position. For example, we never opened the negotiation on the general increase of salaries because I thought that that would really compromise the budget deficit.

JOYCE: At the end certain sectors of the government got raises, saw salary increases?

HAMMOUDA: *No, in fact, we have two things. We have what we call specific sector agreement where we have some salaries—not salaries exactly, for example the transport support, some little—.*

JOYCE: The allowance that they—.

HAMMOUDA: *Yes, the allowances and the transport. So you have the general increase of salaries, and then negotiations about allowances in the sector.*

JOYCE: Got it.

HAMMOUDA: *our position was that we should separate the two. Our position was that we should separate the two; give some increasing allowances, but not any general increase. We decided about an envelope, financial envelope for this increase of allowances. But finally the Prime Minister decided that we should open the negotiation on allowances and not compromise on the general increase and that's what we did.*

JOYCE: And that's what happened. Was there any time where you had to encounter and deal with resistance from within the ministry, within the civil service to reforms that you were pursuing, the decisions that you made?

HAMMOUDA: Yes.

JOYCE: What sort of leeway and leverage—what sort of leeway did you have to fire members of the civil service—?

HAMMOUDA: *No, I was not able to fire anyone.*

JOYCE: Okay, so just the law didn't allow for anything like that.

HAMMOUDA: *But at the same time I think there is, from the civil servant there is a lot of loyalty. I think for three, four months it was difficult. I mean I had really daily conversations. I was having meetings, daily conversation with the senior officials. In fact, to explain, some of the views that we should not reduce—for example this free VAT—the fact they were against was, as a civil servant in the Ministry of Finance, their main objective is to have as much tax revenue as they can, especially in a time when we are going through a budget deficit. I tried to explain, really from an economic point of view—I was explaining to them that I am interested in tomorrow's taxes, not today's taxes and to be able to have tomorrow's taxes we need to encourage investors to invest today. We should probably be open on negotiating for example their tax expenses giving them a part. I don't want to put firms in difficulty because of the payment of taxes.*

JOYCE: Yes.

HAMMOUDA: *I was really having—I think after August we were able, as my colleagues are telling me today, really to have their support of this way of doing things, being more supportive, being open to the investors and especially at these uncertain and difficult times.*

JOYCE: So you would say it was a matter of communication with the ministry staff and openness?

HAMMOUDA: Yes.

JOYCE: You mentioned some of these things but just to wrap up I wonder if there are particular achievements of your time in government that you think are not mentioned frequently. We all know the elections of course and the successful

step forward in the transition is the overarching main success of the Jomaa government.

HAMMOUDA: *My success of course is to establish the international confidence in the government. I think also a lot of reforms implemented today, we are the ones who designed them; the tax reforms, the banking sector reforms with of course some changes, banking tax reforms. We have also the improvement of the macro- economic situation. I think we found the government with two planned deficits for 2014 of about 9% of the budget. I think we ended up the year with a 4.2 budget deficit. We were able to bring it down by 5 points. I think we, as I mentioned, I think we were about to have a financial crisis of the government and we were able in fact to avoid that through dynamic management of the public finance. These are also basically some of the achievements.*

JOYCE: At the end of the Jomaa government there is a big showing of handing over the files that the government has worked on to the incoming government, the Habib Essid government. So I wonder how that process worked and if you see any practices, management practices, governing practices that you implemented as a member of the Jomaa cabinet that you think will continue to have a positive impact on how Tunisia governs for now and for the years to come?

HAMMOUDA: *I think starting in the end of October cabinet meeting we discussed this issue on how to hand over. We, Mr. Jomaa put a team in place in his cabinet working on the achievements, what we considered as the upcoming challenges and some of our thinking on how to address it. Of course, I contributed for my department.*

JOYCE: Was there a person in charge of this process?

HAMMOUDA: *In my department, yes.*

JOYCE: For the team overall?

HAMMOUDA: *I think it was one of the colleagues in the Prime Minister's office; that was, I think Najwa Kheraif but ask Mr. Ridha. In my cabinet it was a lady who was in charge of that, Olfa Chemmari. She was the one dealing with it. That was of course prepared and put together. In the handing over, it was given to the new government. What I know, at least in my department, things continued because they were planned. For example the banking reform sector, the budget laws—some of them continued because also they were part of the international commitment of the government. But from other colleagues it seems that these were not followed.*

JOYCE: So you think—.

HAMMOUDA: *But I thought that the tradition was quite good. We need to have that tradition as a matter of continuity of the state.*

JOYCE: Do you think any of the management practices at the Prime Minister level and at the cabinet level with having the Council of Ministers but also the CMR meetings and the CEM meetings?

HAMMOUDA: *We are not the ones who brought the CMR and the CEM.*

JOYCE: Okay.

HAMMOUDA: *To be frank, to be fair, these things were there before. We were not the ones who brought the CMR. Since Ben Ali's times, there were CMRs chaired by Ben Ali, CEMs chaired by—. So what I heard now is that the CEMs are chaired also by the Prime Minister, which I think is not a good use of his time because CEMs you have something like—including as a minister I was not able to follow all of them.*

JOYCE: Yes.

HAMMOUDA: *But I think that's the way in which the government was thinking and probably the innovation in this system is the security. I should also mention the team spirit of the cabinet and this was acknowledged by many people.*

JOYCE: Yes.

HAMMOUDA: *The security committee Mr. Jomaa put in place after the killing of the soldiers, I think in June. That is when he put in place this committee. Otherwise, the other meetings were there—.*

JOYCE: Looking back on your time in government, are there things that you would have done differently if you had the chance? Particularly in any negotiations, negotiations with political leaders, negotiations with civil society leaders, negotiations within the cabinet? Just how the government conducted itself, do you think there were things that could have been done differently?

HAMMOUDA: *Yes, for sure. I think how the country could have done many things differently or done more. Looking to the economic situation today with the low level of growth, I think we should have been more aggressive with investment on for example the PPPs (Public-Private Partnerships) law. We should have passed the PPP law more quickly because the room to maneuver for a fiscal stimulus is very limited. I think that is probably the part where we should have gone more strongly. This is one. Second, I think we should have built very quickly—probably we started working on it at the end—but we should have very quickly moved to a strong envelope of big infrastructure projects that up until now we don't have and that would facilitate in fact big investment and PPP investment.*

JOYCE: You worked on a number of big reform plans, banking reform, tax, fiscal reform. Not all of them made it through the Parliament while you were in government and some of it carried on and was worked on now and passed now. Do you regret that not all of the laws that you worked on were able to make it through Parliament and why do you think that was?

HAMMOUDA: *Of course. At the end in fact that complicated the relations with the multilateral institutions because they were commitments of the government. But at least in fact we were able to accelerate the reform efforts. We were able to accelerate them. That I think was also an important achievement, acceleration of these reforms. To be frank, we were not expecting—we knew that we had very limited time because we knew that starting in August the people in the Parliament would start campaigning and go preparing for the election. Sometimes in fact the discussion in the Parliament was with about 75 to 80 people, and the minimum to pass a law is 73.*

So at the end—we knew that. But we wanted to put a lot of pressure on the need to accelerate the path of reforms and we were able in fact, at least to finalize all

of them and to put them in the Parliament. In fact, all the reforms were in the Parliament.

JOYCE: Yes. The last question. Do you have any advice that you might offer to someone put in your position as an interim or caretaker technocratic finance minister in a difficult political situation that Tunisia found itself in—?

HAMMOUDA: *The most important challenge is really the political support. Political support is of course difficult, and it is more difficult when you are an independent without any political party supporting you, and especially when all the parties say they are supporting you and at the end of the day you discover that none of them are. That I think was really the most important challenge, especially for myself because I was probably the one who went to the Parliament most for the budget laws, for different things, et cetera. It was really, really difficult to get the approval of the Parliament in many things because of the lack of political support.*

JOYCE: If you don't have a party behind you do you rely on communication? Do you rely on—?

HAMMOUDA: *Yes, on communication and also on the discussions with political leaders. I spent many times discussing with the leaders to make sure their Parliament members were going to vote for us. So that is really the most important thing, the fragile political support. That was probably the most important part in the experience of a technocratic and independent government is the lack or fragility of the political support, which really will cause difficulties.*

JOYCE: Thank you Dr. Ben Hammouda.

HAMMOUDA: *It was a pleasure.*