

Cost-benefit analysis for employment justice in Tunisia



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Executive summary

Introduction

One-third of people in Tunisia encounter at least one legal problem per year¹, of which work-related issues are among the most serious and frequent². Due to the large share of Tunisian workers in the informal economy (44%), many workers are more vulnerable and less protected from economic shocks than workers in the formal sector. Many people in Tunisia are unemployed, job growth in the private sector is constrained, and Tunisia's ability to respond to social and legal needs is compromised by inefficiency, fragmentation, and inequity.³⁴ The legal problems people encounter negatively affect their lives: they experience stress, loss of time, income, and employment due to these work-related legal problems.⁵

The Hague Institute for Innovation of Law (HiiL) works on people-centred justice in Tunisia. HiiL's desired impact is to empower employers and employees in the country to prevent work-related legal problems from occurring and decrease the number of unresolved work-related legal problems. To help achieve these goals, an Employment Justice Platform will be developed to prevent and reduce work-related legal problems. The Platform's target audience consists of employees, employers, and justice practitioners. It will provide access to information on labour rights, a referral system to get the right support, best practice guidelines for legal professionals, and online dispute resolution tools. This report presents the results of a socio-economic cost-benefit analysis focused on the (to-be-developed) Employment Justice Platform.

Methodology

A socio-economic cost-benefit analysis was done to compare the Employment Justice Platform's costs with its expected benefits. It described the effects of this intervention to determine whether the Platform is economically viable. The effects of the Employment Justice Platform are compared to a situation in which no such platform exists, meaning a scenario in which no platform development would take place to help people in Tunisia prevent and resolve work-related legal problems, leading to the situation remaining as it is today.

The assumption is made that in a situation with an Employment Justice Platform to prevent employment issues from becoming work-related legal problems and resolve work-related legal problems, the number of

1 HiiL, nd., Employment Justice in Tunisia – Positioning paper.

2 HiiL, 2023, Justice Needs and Satisfaction in Tunisia – 2023, Legal problems in daily life

3 World Bank Group, 2015, Consolidating Social Protection and Labour Policy in Tunisia – Building Systems, Connecting to Jobs.

4 World Food Programme, 2021, Tunisia country strategic plan (2022-2025).

5 HiiL, 2023, Justice Needs and Satisfaction in Tunisia – 2023, Legal problems in daily life.

problems would decrease in an outcome-based manner and preferably out of court. This goal is reached by improving the target audience's capacity, tools, and knowledge (i.e. employees, employers, and justice practitioners) to prevent or resolve work-related legal problems.

Conclusions and recommendations

This cost-benefit analysis shows that the benefits of developing an Employment Justice Platform outweigh the costs. The following table presents the results for the time frame of 2022-2037.

TABLE 0.1: COST-BENEFIT ANALYSIS RESULTS UNTIL 2037 (NET PRESENT VALUE, IN EURO)

	Scenario 1	Scenario 2	Scenario 3
One-off costs			
Investment costs	-132,000	-132,000	-132,000
Marketing costs	-20,000	-20,000	-20,000
Recurring costs			
Maintenance costs	-447,000	-447,000	-447,000
Marketing costs	-162,000	-162,000	-162,000
Support staff	-776,000	-776,000	-776,000
Benefits (quantified)			
Unresolved – no action	-	13,310,000	14,822,000
Unresolved – action	3,951,000	-7,068,000	-2,060,000
Resolved – self-action	-874,000	-1,705,000	-1,328,000
Resolved – mediator	-226,000	-441,000	-343,000
Resolved – lawyer	-270,000	-528,000	-411,000
Benefits (qualitative)			
Increased empowerment	+	++	++
Increased satisfaction with the outcome	+	++	+ / -
Improved financial security	+	+	++
Increased quality of the justice system	+ / -	+	+
Increased push to formal economy	+ / -	+ / -	+ / -
Increased costs	-	-	+ / -
Total costs	-1,537,000	-1,537,000	-1,537,000
Total benefits	2,581,000	3,568,000	10,681,000
Net present value	1,044,000	2,032,000	9,144,000

The costs of the Employment Justice Platform consist of one-time and recurring costs. The former consists of investment and marketing costs; the latter consists of maintenance, marketing, and support staff costs.

The Employment Justice Platform's quantitative benefits are captured in three scenarios (see Table 0.1):

1. In the first scenario, the number of resolved cases increased for those who took action. This results in decreased costs for unresolved cases and increased costs for more cases solved.
2. In the second scenario, the number of people in Tunisia who decide to take action to solve their work-related legal problem increases. This results in decreased costs for unresolved cases where no action is taken and increased costs for cases where action is taken.
3. In the third scenario, the Employment Justice Platform's benefit of prevention is added. In this scenario, the number of people in Tunisia who experience work-related legal problems is reduced. This results in decreased costs for unresolved cases where no action is taken and increased costs for cases where action is taken. Due to the increased prevention of work-related legal problems, the Platform's targeted audience also goes down. As seen in Table 0.1, this scenario is expected to have the highest impact

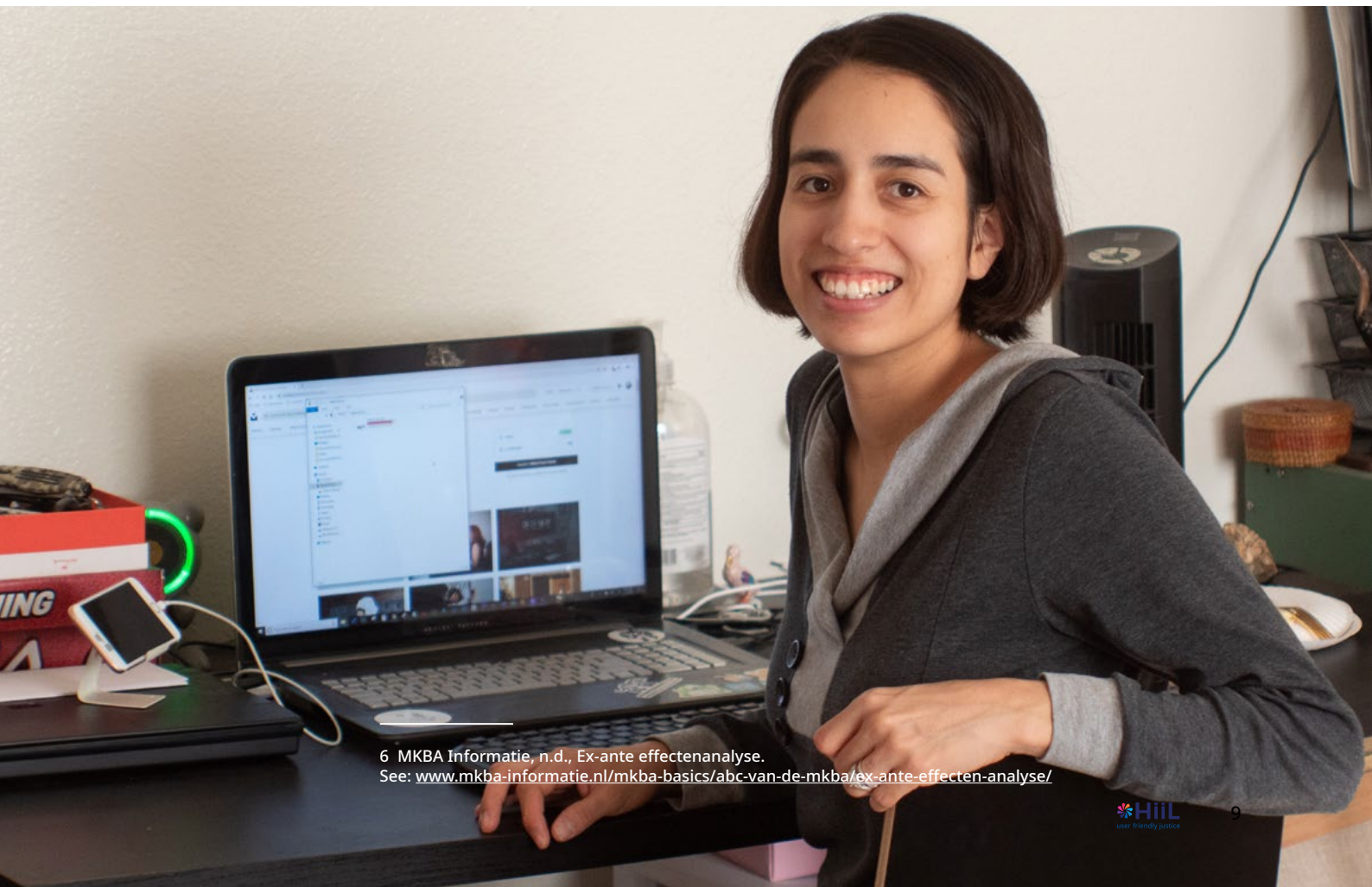
In addition to the quantitative effects, qualitative effects that cannot be monetised were identified and listed in Table 0.1. As seen there, the qualitative effects might differ per scenario.

- The Employment Justice Platform will make legal information available to a broad audience. This helps to contribute to the **empowerment** of people in Tunisia and will positively impact their ability to resolve conflicts. This effect is expected to have a substantial positive impact.
- The Employment Justice Platform will help people in Tunisia to have more ownership and improved awareness of their rights, which will help them defend and protect themselves. This results in a more suitable, fairer solution and increases the sense of **satisfaction with the outcome** of a work-related legal problem.
- Effectively resolved disputes positively affect one's financial position. The platform can help contribute to reducing the number of unresolved cases, encourages people to take action and prevents disputes. This results in improved **financial security** for people in Tunisia.
- When the Platform helps prevent work-related legal problems from occurring, parties find possible solutions without the intervention of traditional justice actors. This helps the traditional justice actors focus on more complex and big cases, which likely benefits the **quality of the justice system**.

- In the long term, it is expected that people in Tunisia will increasingly demand more professional contracts and agreements when entering into an employer-employee relationship. Such a **push to the formal economy** has positive impacts on both businesses as well as governments but simultaneously leads to additional costs (particularly for the employer).
- The improved information position of people in Tunisia might lead to an increased request for the support provided by the government (i.e. legal advice, judges, etc.) which can lead to **additional expenses** for the Tunisian government.

Recommendations

The current cost-benefit analysis is focused on an intervention that is in an early stage of development and under consideration.⁶ It is recommended to update the current cost-benefit analysis once the context and design of the Employment Justice Platform are further developed, such that more accuracy and precision can be provided. Current calculations are based on Tunisian data where possible. However, data from Tunisia or North Africa was not always available. It is recommended to further investigate the effects of current intervention in the Tunisian context.



⁶ MKBA Informatie, n.d., Ex-ante effectenanalyse.
See: www.mkba-informatie.nl/mkba-basics/abc-van-de-mkba/ex-ante-effecten-analyse/

1 Introduction

This chapter will first present the background and aim of the study (section 1.1), followed by a reading guide (section 1.2).

1.1 Background and Aim of the Study

In the past four years, 31% of people in Tunisia encountered one or more legal problems⁷, of which Tunisian people deem employment to be the most prevalent cause of disputes in which legal assistance is needed. Around 19% of people in Tunisia indicate employment problems as the most serious problems, and 24% indicate employment problems are the most frequent⁸. The COVID-19 pandemic further exacerbated these challenges, with a sharp decline in economic activity, unemployment, and increased poverty and inequality.

Since almost half of Tunisia's workforce (44%) is active in the informal economy, many workers are more vulnerable and less protected from economic shocks than workers in the formal sector would be.^{9 10} The unemployment levels are high, and job growth in the private sector in Tunisia is constrained, due to investment barriers and poor implementation of labour insertion programmes, among other factors. Despite having several social protection and labour programmes in place, Tunisia's ability to respond to social needs is compromised by inefficiency, fragmentation, and inequity.¹¹

The most important employment issues that turn into work-related legal problems can be clustered into the following categories: unfair employment benefits, precarious working conditions, non-payment of wages and unfair dismissal, discrimination on the work floor, lack of information and advice in the informal economy, and lack of access to banking services.^{12 13}

Legal problems, which entail work-related disputes, affect people's lives. Among other things, Tunisian people experience stress, loss of time and income, and job loss due to these work-related legal problems. A substantial part of people in Tunisia experience the negative effects as a severe impact on their lives (29%-42%).¹⁴

7 Hiil, 2023, Justice Needs and Satisfaction in Tunisia – 2023, Legal problems in daily life.

8 Hiil, 2023, Justice Needs and Satisfaction in Tunisia – 2023, Legal problems in daily life.

9 World Bank Group, 2015, Consolidating Social Protection and Labour Policy in Tunisia – Building Systems, Connecting to Jobs.

10 World Food Programme, 2021, Tunisia country strategic plan (2022-2025).

11 World Bank Group, 2015, Consolidating Social Protection and Labour Policy in Tunisia – Building Systems, Connecting to Jobs.

12 Hiil, nd., Employment Justice in Tunisia – Positioning paper.

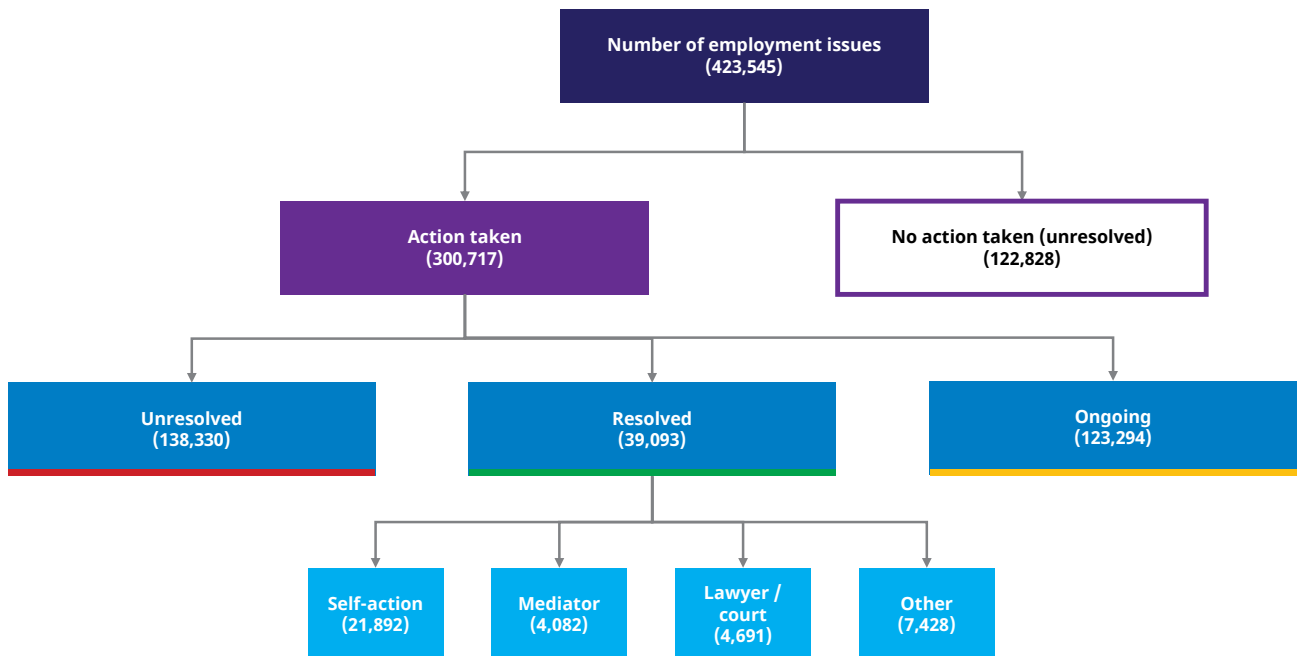
13 World Justice Project, 2017, General Population Poll survey module on legal needs and access to justice.

14 29% for youth from 18 to 24 years old, 42% for people older than 25 years. See Hiil, 2023, Justice Needs and Satisfaction in Tunisia – 2023, Legal problems in daily life.

In 2022, 423,545 people in Tunisia experienced work-related legal problems. 71% of them took steps to solve them. This number has risen from 64% to 71% in the last six years.¹⁵ Of those that took action, only 13% were successful and managed to solve their problems (at least partially). The most common ways to solve the problem were by taking steps themselves; for example, resolving a problem between employer and employee or through using one’s personal network (self-action amounts to 56%). Other ways Tunisian people try to tackle work-related problems are through mediators (13%), court & lawyers (12%), and other ways (i.e. someone’s social network (17%) or the police (2%)).

The corresponding data are presented in Figure 1.1. As the figure shows, most disputes remain unresolved.

FIGURE 1.1: FOLLOW-UP AND OUTCOME OF WORK-RELATED LEGAL PROBLEMS IN TUNISIA (2022)



Source: Hiil, 2023, *Justice Needs and Satisfaction in Tunisia – 2023, Legal problems in daily life*.

The Hague Institute for Innovation of Law (Hiil) addresses people-centred justice in Tunisia. People-centred justice refers to a holistic approach to the legal system that prioritises individuals’ and communities’ well-being, rights, and needs. It emphasises fair and inclusive processes, equitable outcomes, and the empowerment of all stakeholders involved in the pursuit of justice. Hiil’s desired impact in Tunisia is to empower employees, employers and justice practitioners to prevent work-related legal problems from occurring

¹⁵ Hiil, 2023, *Justice Needs and Satisfaction in Tunisia – 2023, Legal problems in daily life*.

and to decrease the number of unresolved work-related legal issues. These work-related problems can involve the problems mentioned above. In its 2020 – 2024 strategy, HiiL outlines various ways to achieve these goals. This includes building a new services platform to prevent and reduce work-related legal problems, the Employment Justice Platform. The Platform's target audience consists of employees, employers, and justice practitioners and will provide access to existing and new guidelines, information and Online Dispute Resolution for people in Tunisia to help tackle work-related problems. The Employment Justice Platform will clearly explain the Tunisian labour legislation and the judicial process, including a referral system to the proper support and insightful data regarding work-related legal issues. The Platform will be further developed during a Justice Innovation Lab in 2023.¹⁶

This study includes a cost-benefit analysis (CBA) of the future Employment Justice Platform. A CBA is a useful methodology for people-centred justice initiatives because it provides a systematic framework to evaluate the potential social and economic impacts of policies, programmes, or interventions. It helps in ensuring that resources are allocated efficiently and effectively to address the needs and priorities of people. It allows decision-makers to compare different options and prioritise interventions that maximise individuals' overall well-being and justice outcomes. This CBA aims to support HiiL in developing a business case for its work in Tunisia, specifically, the initiative to build the Employment Justice Platform.

1.2 Reading guide

This report will describe the costs and benefits of developing and implementing an Employment Justice Platform addressing work-related legal problems in Tunisia.

The analysis will outline the most likely situation if the initiative is not realised: Business as Usual (or BaU): in other words, what happens if there is no platform? Subsequently, it will look at what happens if the Platform exists: Project Alternative. Finally, it will calculate the differences between the BaU and the Project Alternative result in the expected (social) effects, which form the basis of this CBA.

This report is structured as follows:

Chapter 1 – Introduction and aim of the study;

Chapter 2 – CBA methodology, including the explanation of the principles of the economic analysis;

Chapter 3 – Business as Usual and Project Alternative;

Chapter 4 – Project effects, which consists of the determination and valuation of the project effects;

Chapter 5 – CBA outcome, which presents the CBA results and their interpretation.

¹⁶ More detailed information on the Employment Justice Platform was obtained in a working session with HiiL experts, that took place in February 2023. Where 'the Platform' is mentioned in this report, the to-be-developed Employment Justice Platform is the subject.

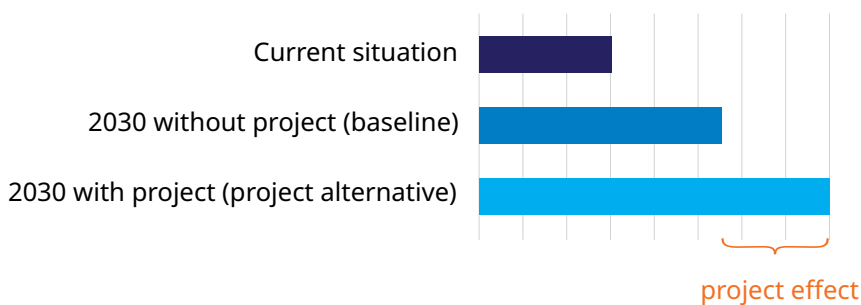
2 The CBA methodology

This chapter will explain the methodology used for the cost-benefit analysis by first introducing the definition (section 2.1) and then briefly describing how results are calculated (section 2.2).

2.1 Definition of a CBA

A CBA is a systematic process of comparing the costs of a proposed project or decision with its expected benefits in order to determine whether the project or decision is economically justified. It describes the positive and negative effects of a project investment. Only effects that can be directly attributed to the project are considered to ensure an objective analysis of the project. In the CBA, the effects of the Employment Justice Platform addressing work-related legal problems in Tunisia (the Project Alternative) are compared with those in a Business as Usual (BaU) situation. The BaU refers to the most likely situation that occurs without the investments (i.e. no online platform or other action undertaken to address work-related legal problems in Tunisia). It is important to realise that two future situations are compared. In this way, the CBA only includes the effects that can be directly allocated to the project investments and are not considered autonomous effects. The following figure illustrates this through an example.

FIGURE 2.1: ILLUSTRATION OF COMPARING EFFECTS BETWEEN BaU AND PROJECT UNTIL 2030

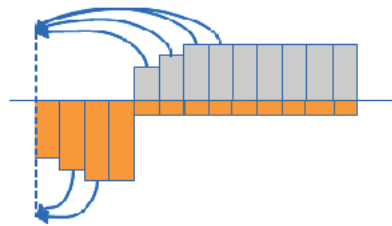


Source: Ecorys (2021)

Price level and discount rate

In this CBA, the effects are expressed in euros (monetised) where possible. The costs and benefits are expressed in constant prices with a fixed price level¹⁷ (the year 2023 is applied) and are included for a longer period. To compare the costs and benefits, these are calculated back to the first investment year (discounted) in a CBA. In this way, a comparison can be made between effects that take place now and those in the future. This process is illustrated in the following figure.

FIGURE 2.2: ILLUSTRATION OF DISCOUNTING



NPV = net present value
Source: Ecorys

To arrive at discounted values for costs and benefits, a fixed percentage per year is used: the discount rate.¹⁸ In this CBA, the discount rate is 3%¹⁹. As the future is uncertain, a sensitivity analysis²⁰ on the discount rate has been performed (see Chapter 5).

Time horizon²¹

When determining the effects, the (economic) lifespan of the project is considered. In this CBA, the project's lifespan has been set at 15 years.²² This means that the period for the project runs from 2023 to 2037. It is assumed that the one-time investments for the Platform will be in 2023. The recurring costs will be made from the second year onwards (i.e. 2024) until 2037. The benefits will also start in the second year (i.e. 2024). It is expected that the benefits will increase gradually between 2024 and 2030.²³ From 2030 onwards, the full benefits will be reached.

In practice, the long-term effects have a limited influence on the results of a CBA. This is due to the discounting of effects. An extension of the lifespan has a relatively smaller effect on the outcome.

17 The price level refers to the current market price of goods and services that are relevant to the project being analysed, in this case the Platform.

18 This is the rate at which future costs and benefits are discounted to their present value. It reflects the time value of money, meaning that future costs and benefits are worth less than present ones.

19 Based on Dutch CBA guidelines, more specifically SEO, Ecorys and Van Zutphen Economisch advies, 2019, 'Werkwijzer voor maatschappelijke kosten-batenanalyse van de digitale overheid'.

20 This is a technique to test the robustness of the results by examining how changes in certain key assumptions or inputs affect the overall outcome of the analysis. The goal of a sensitivity analysis is to identify the most important factors that contribute to the uncertainty of the results and assess how sensitive the analysis is to changes in those factors.

21 This refers to the period of time over which costs and benefits are analysed in the CBA.

22 This is in line with similar platform / digital tools studies.

23 It is assumed that the in-grow of benefits is linear.

2.2 Calculation of results

The outcome of the CBA is calculated as the project's net present value (NPV).²⁴ The NPV is the balance of all discounted benefits minus costs. If the NPV is higher than zero, the project is profitable from a socio-economic perspective (and vice versa). For this CBA, the choice was made to express the monetary effects in euros (EUR). Where data was available in Tunisian Dinar (TND), a conversion rate to EUR was applied.

Not all effects can be monetised, despite that some are social costs and benefits that lead to changes in welfare. These effects are described qualitatively. The monetised and the non-monetised effects must be considered integrally as the outcome of the CBA.



²⁴ This is a financial metric to measure the profitability or financial viability of an investment or project. The NPV represents the difference between the present value of the expected cash inflows and the present value of the expected cash outflows over the life of the project, discounted at a chosen discount rate.

3 Business as Usual and the Project Alternative

As highlighted in the previous chapter, a CBA compares the situation without the project with the situation in which the project is realised. This chapter first presents the situation without the project (section 3.1). Secondly, the situation with the project (section 3.2) and, thirdly, the different scenarios applied (section 3.3).

3.1 Business as Usual

BaU is the future situation without the project. In other words, the situation in which no development of an Employment Justice Platform takes place to help people in Tunisia prevent and resolve work-related legal problems. In short, it assumes that the situation concerning work-related legal problems in Tunisia remains as it is today. This means that the same share of the Tunisian population will be faced with a work-related legal problem and that the success rate (i.e. the change in solving the problem) remains the same.

The current situation concerning work-related legal problems in Tunisia is described in more detail below.

State of play

In 2023, the adult population in Tunisia consisted of 8,037,000 people **(i)**²⁵. Almost a third of the adult population faces judicial issues (31%) **(ii)**. Of all the judicial problems, a part (17%) **(iii)** relates to a work-related legal problem. Out of this group experiencing a work-related legal problem, the majority will take action to solve the legal problems (71%) **(iv)**, while the other part will not (29%)²⁶.

Out of the group that will take action to resolve their work-related legal problem, some will be (partly) successful (13%) **(iv)**, i.e. their legal problem will be resolved. For others, the work-related legal problems may remain unresolved (87%), either ongoing (41%) or abandoned (46%)²⁷.

For those that manage to solve their legal issues, several options are open on how to solve these: self-action (56%) **(vi)**, social network (17%), other neutral (i.e. mediator) (13%) **(vi)**, courts and lawyers (12%) **(vi)** and police (2%)²⁸. For the CBA, the options that the Platform could influence are the self-action, the mediator and courts/lawyers.

25 Institut National de la Statistique, 2021, Population au 1er Janvier. See www.ins.tn/statistiques/111 Due to limited data sources this number consists of adults of 20 years and older and is an underestimation of the actual number of adults.

26 HiIL, 2023, Justice Needs and Satisfaction in Tunisia – 2023, Legal problems in daily life.

27 Ibid.

28 HiIL, nd., Employment Justice in Tunisia – Positioning paper.

The following figure presents a breakdown of the absolute numbers. This will form the basis of the BaU.

TABLE 3.1: BREAKDOWN OF JUDICIAL ISSUES AND THEIR OUTCOME FOR THE ADULT TUNISIAN POPULATION (2023)

	Category	Share	Size
i	Total adult population in Tunisia	100%	8,036,908
ii	Total number of judicial issues in Tunisia	31%	2,491,441
iii	Total number of work-related legal problems in Tunisia annually	17%	423,545
iv	Total number of people in Tunisia that take action to solve the judicial issue	71%	300,717
v	Of which successfully resolve their issue	13%	39,093
vi	Manner in which the case is resolved successfully:		
	▪ Self-action	56%	21,892
	▪ Mediators	13%	4,082
	▪ Courts/lawyers	12%	4,691
	▪ Other	19%	7,428

3.2 The Project Alternative

The Project Alternative is the future situation in which the development of an Employment Justice Platform takes place to help people in Tunisia prevent and resolve work-related legal problems. Below, the Employment Justice Platform is described, including its goals, target audience, scope, and functionalities. The effects of this future situation will be described in the next chapter and give insight into the project alternative situation concerning work-related legal problems in Tunisia.

Goal of the Employment Justice Platform

The Employment Justice Platform's desired impact is to empower employees, employers, and justice practitioners in a twofold manner:

1. To prevent employment issues from becoming work-related legal problems;
2. To resolve work-related legal problems and so decrease the number of problems in an outcome-based manner, preferably out of court.

This goal is reached by improving core actors' capacity, tools, and knowledge (i.e. employees, employers, and justice practitioners) to prevent or resolve work-related legal problems. The latter is done by ensuring better addressing of problems. The Employment Justice Platform tries to close the information gap that beneficiaries encounter: currently, they are unaware of how to interpret information and how information can be provided to someone's situation.

Target audience and scope of the Employment Justice Platform

The Employment Justice Platform's target audience exists of three groups:

- employees;
- employers, such as supervisors, managers, Human Resources (HR) managers, and in-house legal practitioners;
- justice practitioners from the justice sector, such as employment lawyers, mediators, judges, and labour inspectors.

The Employment Justice Platform is focused on the whole of Tunisia and all labour sectors in the private sector. The Platform focuses on the collective and does not serve individual cases - for a specific work-related legal problem, no specific guidance will be offered. However, the Platform will be as specific as possible, for example, by presenting a number of personal scenarios and information decision trees. Also, referrals to justice practitioners, such as a mediator or a lawyer, can be made. The Employment Justice Platform will be online and in print to ensure the Platform reaches a broad audience (as well as marginalised groups).

Functionalities of the Employment Justice Platform

The activities and functionalities planned for the Platform include information, guidelines and tools²⁹.

Information

- A clear explanation of Tunisian labour legislation and the processes of addressing work-related legal problems. A step-by-step guidance assists employees and employers in resolving problems and understanding their rights. Information on prevention helps to understand how to avoid legal issues in the first place.
- A referral system helps to get the right support before resorting to legal measures. It allows for different personal scenarios, works with information decision trees and builds on the existing infrastructure present in Tunisia for employment conflicts. When matters cannot be solved between employee and employer, the system will support tailored referrals to justice practitioners (mediators, lawyers, etc.), legal aid services (in collaboration with the Bar Association), available support systems, and support in reaching out to the right stakeholder.

²⁹ Based on the HiIL document 'Log frame - Employment Justice - Justice Innovation Lab' and a working session with HiIL experts, that took place in February 2023.

Guidelines

- The platform provides guidelines for Employment Justice developed in collaboration with Tunisian legal professionals based on the latest evidence, best practices and research. These guidelines supplement existing information and offer justice practitioners new insights and practical tools for preventing and resolving work-related disputes. Encouraging justice practitioners to adopt evidence-based practices through guidelines can contribute to better outcomes.

Tools

- The platform provides online and offline tools for dispute resolution to resolve issues in a more people-centred way: putting the outcomes of employees first. These tools are made available to employers (e.g. HR and legal departments) and justice practitioners and are meant to help make the process of dispute resolution more effective.

The platform is supported by training sessions for justice practitioners that help them apply the information, guidelines and tools in their daily practice, and therefore promote evidence-based working. In addition, outreach and awareness campaigns educate individuals about work-related legal matters, their rights, and the available information and resources. Sharing communication materials for various online and offline communication channels is essential in reaching a wide audience.



3.3 Scenarios

The Employment Justice Platform's desired impact is to empower employees, employers, and justice practitioners in a twofold manner:

1. To prevent employment issues from becoming work-related legal problems;
2. To resolve work-related legal problems and thus decrease the number of unresolved work-related legal problems in an outcome-based manner and preferably out of court.

Three scenarios

As highlighted above, the Employment Justice Platform has two main objectives. These objectives will influence several of the key data in the BaU (see section 3.1). The first objective, 'reducing the number of unsolved cases,' links to the number of cases successfully resolved (v). If more cases can be resolved successfully, the number of cases that remain unsolved will decrease. Secondly, the first objective also links to the number of Tunisian people taking action (iv). If cases can be resolved successfully, it will encourage people to act as well. The second objective, 'Prevention of work-related legal problems occurring', links to the number of people in Tunisia having work-related legal problems (iii). Once the Employment Justice Platform can ensure that people in Tunisia do not get involved in a work-related legal problem, the problem will be prevented.

To assess the impact of the Employment Justice Platform on these different elements, costs, and benefits are assessed from three scenarios. These scenarios capture the benefits of the Platform in the Tunisian context, starting with increasing the number of successful cases when action is taken. In addition to the benefits from this scenario, in scenario 2, an increase of people taking action is added to the benefits from scenario 1. In scenario 3, the benefits from preventing problems are added. Please find a more detailed description of the three scenarios below.

Scenario 1 – Increase of the number of successful cases for those who take action

In the BaU, 13% of work-related legal problems are addressed successfully. In the remaining 87% of the cases, the issue is either abandoned or ongoing (with a likely chance of becoming abandoned). This scenario assesses what the effects are when the success rate can be increased. It is assumed that the rate will improve from 13% to 15%.

Scenario 2 – Increase the number of people taking action

In the BaU, 71% of people in Tunisia with work-related legal problems decide to take action. This scenario assesses the effects when more Tunisian people with a work-related legal problem decide to take action. It is assumed that the rate will improve from 71% to 80%.

Scenario 3 – Reduce the number of people in Tunisia who have a work-related legal problem

In the BaU, 17% of all Tunisian adults face a work-related legal problem. This scenario assesses the effects in case this percentage can be reduced. It is assumed the rate will reduce from 17% to 16%.

The table below presents the key assumptions per scenario.

TABLE 3.3: BREAKDOWN OF JUDICIAL ISSUES IN THE BaU AND THREE SCENARIOS

	Category	Share BaU	Share scenario 1	Share scenario 2	Share scenario 3
i	Total adult population in Tunisia	100%			
ii	Total number of judicial issues in Tunisia	31%			
iii	Total number of work-related legal problems in Tunisia annually	17%			16%
iv	Total number of people in Tunisia that take action to solve the judicial issue	71%		80%	
v	Of which successfully resolve their issue	13%	15%		
	Of which abandoned	46%	44%		
	Of which ongoing	41%			

4 Project effects

In a CBA, the project effects are calculated. These effects consist of the costs and benefits the project generates. This chapter first presents the costs (section 4.1). Subsequently, the benefits are split between quantitative (direct) effects resulting from the project (section 4.2) and qualitative effects (section 4.3).

4.1 Costs

In this section, the costs involved in the project are presented. The direct costs of the measures consist of one-time costs and recurring costs. The following sections elaborate on each of the cost categories.

TABLE 4.1: ESTIMATED ONE-TIME AND RECURRING COSTS OF THE PLATFORM (IN EUR)

	Occurrence of costs	Costs
One-time costs		
Investment costs	Once, in 2023	132,000
Marketing costs	Once, in 2023	20,000
Recurring costs		
Maintenance costs	Every year	26,000
Marketing costs	Every three years	10,000
Support costs	Every year	48,000

One-time costs

The one-time costs consist of investment costs and an extensive marketing campaign to raise awareness during the launch of the Employment Justice Platform (Table 4.1). Both one-time costs occur once and are calculated for 2023.

The investment costs consist of software and content development costs and testing of the Platform (i), design and illustration costs (ii) and data protection costs (iii). The development costs are estimated to be EUR 100,000³⁰, the design costs are estimated at EUR 12,000³¹ and the data protection costs are estimated to amount to EUR 20,000³², which adds up to investment costs of EUR 132,000.

30 Based on expert judgement and Meddeb, 2022, Societal Cost-Benefit Analysis of Investing in Employment Justice in Tunisia.

31 Due to the complexity of the platform, the upper bound of 40.000 Tunisian dinar was used. Novatis, 2022, Tarif de creation site web en Tunisie. See: <https://www.novatis.tn/tarif-creation-site-web-en-tunisie-2020/>

32 Based on expert judgement and Meddeb, 2022, Societal Cost-Benefit Analysis of Investing in Employment Justice in Tunisia.

To spread awareness on the Platform, the one-time costs in the first year also include a large awareness campaign. The campaign will likely cost twice that of a regular marketing campaign, estimated at EUR 10,000³³.

Recurring costs

The recurring costs of the Platform consist of maintenance costs, marketing costs and costs for support staff, see Table 4.1. Maintenance and support staff costs occur every year. Marketing costs consist of a campaign every three years.

The maintenance costs consist of digital maintenance work on the Platform, software licenses and updating the content on the Platform. The yearly maintenance costs are estimated to be EUR 26,000 per year, consisting of 20% of the investment costs³⁴ and 5% for correction of the maintenance system.³⁵

After a large awareness campaign in the first year, limited outreach is performed every year to raise awareness among the Employment Justice Platform's target audience. As mentioned before, this is estimated to cost EUR 10,000 yearly.

The support costs consist of the yearly wage for four employees that support both the Platform and the visitors of the Platform.³⁶ The average monthly wage for a government employee is around EUR 1,000 per person,³⁷ which leads to yearly costs of EUR 48,000.

4.2 Quantitative effects

Four steps are taken to assess the impact of the Employment Justice Platform on the objectives set.

Step 1 – assessing the number of people in Tunisia reached by the Platform

The benefit assessment's starting point is the (potential) targeted audience of the Employment Justice Platform. The main target group are people in Tunisia with work-related legal problems. As shown in section 3.1, currently, around 423,500 people in Tunisia do have work-related legal problems. It is assumed 5% of the people facing a work-related problem could potentially benefit from the services the Platform would offer, based on a benchmark with a similar type of service.³⁸ This means that the Employment Justice

³³ Ibid.

³⁴ Based on expert judgement and Meddeb, 2022, Societal Cost-Benefit Analysis of Investing in Employment Justice in Tunisia.

³⁵ SEO, Ecorys and Van Zutphen Economisch advies, 2019, 'Werkwijzer voor maatschappelijke kosten-batenanalyse van de digitale overheid'.

³⁶ Based on expert judgement.

³⁷ Based on Paylab, n.d., Tunisia - Salaries on positions in Tunisia. See <https://www.paylab.com/tn/salaryinfo>

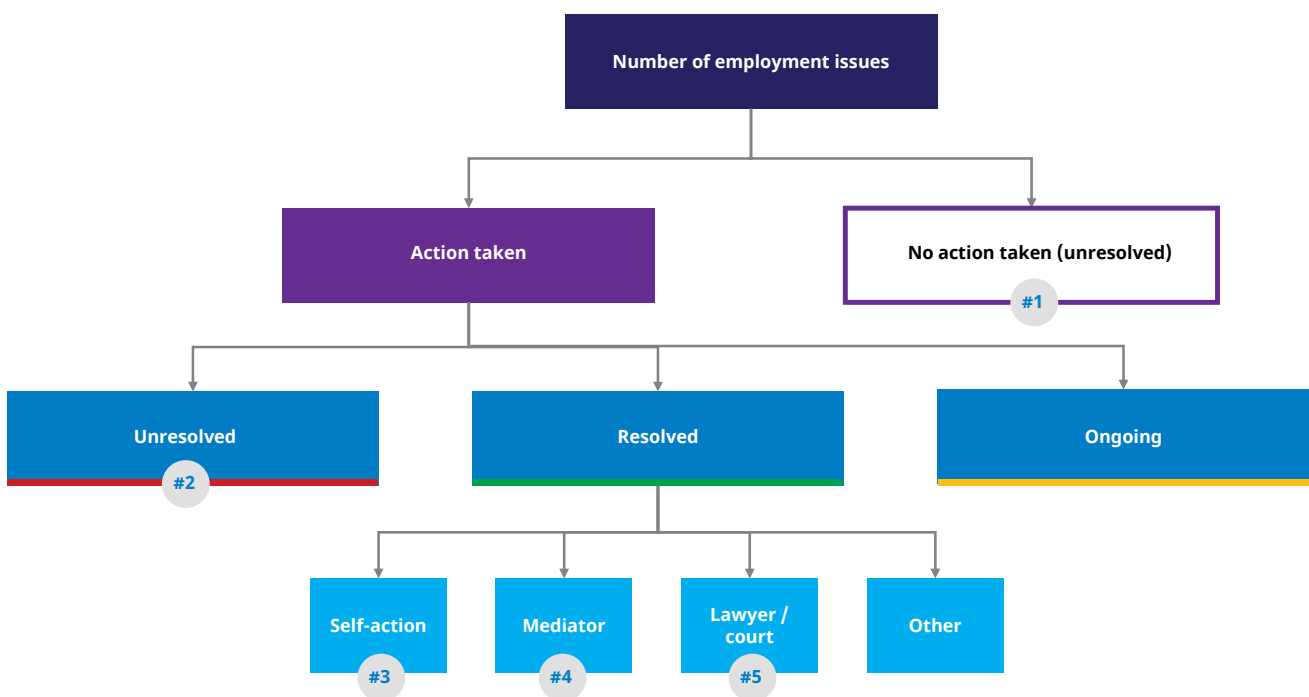
³⁸ Due to the lack of specific Tunisian data on the potential use of a platform as such, Dutch data was used to make estimations. Please see: Het juridisch loket, 2022, Jaarverslag 2021.

Platform will potentially reach 21,200 people in Tunisia yearly. It should be noted that in the first years of existence of the Platform, the full potential will not be reached. Therefore, the study team assumes that in 2024, the first year the Platform will be operational, 1% of the target audience (equalling 4,235 people in Tunisia) will be reached. It is assumed that the maximum potential will be reached in 2030. After 2030, the number of people in Tunisia reached by the Platform will remain the same yearly.

Step 2 – assessing the costs of work-related legal problems

The second step is to assess what a work-related legal case costs Tunisian society. To do so, a distinction needs to be made between cases that remain unresolved and cases that are resolved. In the first category, a further distinction can be made between unresolved cases where the employee did not take action (#1) and cases where the employee did take action but was unsuccessful in solving the issue (#2). For the cases that are resolved, several ways of solving it are possible. The ones considered for this CBA are taking self-action (#3), involving a mediator (#4) or involving a lawyer/going to court (#5).

FIGURE 4.1: ASSESSMENT OF EFFECTS



Source: Ecorys

For each of the five responses to a work-related legal problem, societal costs have been assessed (the green boxes in the figure above). A detailed description of how these costs have been estimated can be found in Annex I – Detailed description of the benefit calculation. The table below presents estimations of the societal costs of each of these responses for an individual case.

TABLE 4.2: SOCIETAL COSTS PER RESPONSE (IN EUR)

	Costs
Unresolved case	
No action	808
Action	1,521
Resolved case	
Self-action	601
Mediator	668
Lawyer	868

Step 3 – assessing the impact of the Platform on people in Tunisia with work-related legal problems

As presented in section 3.3, the Platform’s impact on people in Tunisia with work-related legal problems is assessed using different scenarios. In **scenario 1**, the main focus is improving the success rate for Tunisian people taking action. This means that the number of unresolved cases goes down (#2 in Table 4.1) and the related costs also go down. The other side of the coin is that the number of cases where employees take self-action, involve a mediator, or go to a lawyer increases. This means that the costs for these responses also go up.

The differences between BaU and scenario 1 measured in the number of Tunisian people are presented in the table below.

TABLE 4.3: WAYS OF SOLVING THE WORK-RELATED LEGAL PROBLEMS IN 2030 (COMPARISON BaU AND SCENARIO 1)

	BaU	Scenario 1
Target audience	21,177	21,177
Tunisian people not taking action	6,141	6,141
Tunisian people taking action	15,036	15,036
Of which successful	1,955	2,255
Self-action	1,095	1,263
Mediator	254	293
Lawyer/court	371	271

In **scenario 2**, the main focus is stimulating more people in Tunisia to take action. This means the number of cases where no action is taken (#1 in Table 4.4) decreases. The related costs of taking no action will decrease as well. The other side of the coin is that the number of cases where employees take action, and the related costs go up. In addition, the costs related to self-action, involving a mediator, and going to a lawyer also go up.

The differences between BaU and scenario 2, measured in the number of Tunisian people, are presented in the table below.

TABLE 4.4: WAYS OF SOLVING A WORK-RELATED LEGAL PROBLEM IN 2030 (COMPARISON BAU AND SCENARIO 2)

	BaU	Scenario 2
Target audience	21,177	21,177
Tunisian people not taking action	6,141	4,235
Tunisian people taking action	15,036	16,942
Of which successful	1,955	2,521
Self-action	1,095	1,423
Mediator	254	330
Lawyer/court	371	305



In **scenario 3**, the main focus is prevention, meaning a decrease in Tunisian people facing work-related legal problems. It should be noted that when the number of people in Tunisia with a work-related legal problem goes down, the targeted audience of the Platform goes down as well (as we still assume that the Platform will reach 5% of all people in Tunisia with a work-related legal problem). In scenario 3, the targeted audience of the Platform is assessed to be 19,932 in 2030. Although the target audience goes down, society benefits as fewer people in Tunisia will be confronted with costs related to work-related legal problems. In addition, those Tunisian people that are still confronted with a work-related legal problem are better able to solve the problem and therefore face less societal costs.

The differences between BaU and scenario 3, measured in the number of Tunisian people, are presented in the table below.

TABLE 4.5: WAYS OF SOLVING A WORK-RELATED LEGAL PROBLEM IN 2030 (COMPARISON BAU AND SCENARIO 3)

	BaU	Scenario 2
Target audience	21,177	19,932
Tunisian people not taking action	6,141	3,986
Tunisian people taking action	15,036	15,945
Of which successful	1,955	2,392
Self-action	1,095	1,339
Mediator	254	311
Lawyer/court	371	287

Step 4 – assessing the overall societal costs

The final step in the analysis is to assess the societal costs for both BaU and the three scenarios. To do so, the individual cost elements identified in step 2 are multiplied by the number of cases in BaU and each of the scenarios. The following table presents the costs in BaU and the three scenarios in 2030.

TABLE 4.6: COSTS FOR BAU AND SCENARIOS IN 2030 (IN EURO)

	BaU	Scenario 1	Scenario 2	Scenario 3
Unresolved – no action	5,246,000	5,246,000	3,618,000	3,405,000
Unresolved – action	11,117,000	10,634,000	11,982,000	11,277,000
Resolved – self-action	695,000	802,000	904,000	851,000
Resolved – mediator	180,000	207,000	234,000	220,000
Resolved – lawyer/court	215,000	248,000	280,000	263,000
Total responses costs	17,453,000	17,137,000	17,017,000	16,016,000

After assessing the costs, for each scenario, the costs of BaU are deducted from the costs of the scenario analysed. That way, the added value of each scenario is calculated. Finally, the yearly differences are included in the CBA, and the net present value is calculated. The outcomes are presented in the following table.

TABLE 4.7: NET PRESENT VALUE OF THE SCENARIOS (2023 – 2037, IN EUR)

	Scenario 1	Scenario 2	Scenario 3
Unresolved – no action	-	13,310,000	14,822,000
Unresolved – action	3,951,000	-7,068,000	-2,060,000
Resolved – self-action	-874,000	-1,705,000	-1,328,000
Resolved – mediator	-226,000	-441,000	-343,000
Resolved – lawyer/court	-270,000	-528,000	-411,000
Total benefits	2,581,000	3,568,000	10,681,000

4.3 Qualitative effects

In addition to the quantitative effects included in the above-presented calculations, a series of effects that cannot be monetised have been identified. Due to the nature of these effects, they cannot be included in the effect calculations. This section, therefore, introduces each of the effects and indicates whether the effect is likely to impact the project positively or negatively (in each of the three scenarios). A positive effect is marked with a '+', and a negative effect with a '-'.

Increased empowerment ++

The Employment Justice Platform will make legal information available to a broad audience, thereby contributing to the empowerment of the Tunisian people. When people have a better understanding of the law, it will allow them to act if a legal problem arises.³⁹ The OECD identifies people empowerment as one of the key pillars of its People Centred Justice Framework and notes that 'strong networks of readily available, understandable legal information [...] will play an important role in ensuring that relevant information is available when people need it and in a language and a form most suitable to them'.⁴⁰ As such, making information readily available empowers people and will positively impact their ability to resolve conflicts.⁴¹

³⁹ Pathfinders, 2019, Justice for All.

⁴⁰ OECD, 2021, OECD Framework and Good Practice Principles for People-Centred Justice.

⁴¹ Ibid.

That said, this effect is difficult to measure and, therefore, cannot be quantified. Nevertheless, this effect is expected to have a substantial positive impact. The effect will likely be most substantial in scenarios 2 and 3 as these revolve around the information the Platform unlocks.

Increased satisfaction with the outcome +

Closely linked with increased empowerment of people is the increased satisfaction with the outcome of their problem. When people have more ownership and are more aware of their rights and the legal context, they can better defend and protect themselves. This ultimately results in a more suitable and often more fair solution⁴² (compared to a situation in which drastic measures such as dismissal are taken). Subsequently, this increased sense of satisfaction can impact various other aspects of one's life, including happiness, well-being, and productivity levels.

While these impacts are substantial and highly relevant, they cannot be quantified accurately. Nevertheless, it can be assumed they impact, in particular, scenario 2 positively. Indirectly, the increased satisfaction with the outcome also applies to scenario 1, as having no solution (i.e. an unresolved case) causes the opposite effect.

Improved financial security +

When disputes are resolved effectively, this positively affects one's financial position. Being involved in a dispute is a burden on one's well-being and productivity (as indicated above) and may require additional investments such as legal advice or a lawyer.⁴³ Depending on the type of dispute and the parties' financial position, these costs may vary.

When the Employment Justice Platform can contribute to reducing the number of unresolved cases, encourage more people to take action (and not let their dispute linger) and prevent disputes from occurring in the first place, it would also positively impact the financial security of the involved citizen. As such, improved financial security would apply to all three scenarios.

Moreover, the Platform is expected to have a learning effect, meaning that citizens who have more knowledge about their rights and the legal context are also in a better position when signing contracts in the future. Therefore, the financial security of people in Tunisia is expected to be positively impacted in the longer term.

Increased quality of justice system +

The quality of the formal justice system would likely be improved when the Employment Justice Platform successfully prevents disputes from occurring and, potentially, enables parties to find solutions without the intervention of traditional justice actors. In this case, the conventional justice system would have the space to focus on more complex and big cases, whereas smaller

42 Pathfinders, 2019, Justice for All.

43 TNO, 2015, Kosten van arbeidsongeschiktheid en zorg.

disputes can be settled between two parties.⁴⁴ This would mean that the expertise of the judges in the formal justice system could be put to more targeted use than is currently the case (i.e. they now sometimes spend time on cases which could have also been resolved in non-traditional ways).⁴⁵ When experts in the traditional justice system can spend more time on complex and big cases, this likely benefits the quality of their work.

The size and scope of this effect are difficult to grasp. Nevertheless, the Platform is expected to impact the quality of the justice system positively. These effects are applicable across all three scenarios.

Increased push to formal economy +/-

As the Employment Justice Platform empowers people in Tunisia and seeks to improve their legal knowledge base, it is expected that in the long term, people in Tunisia will increasingly demand more professional contracts and agreements when entering into an employer–employee relationship. This development would also push companies to shift towards the formal economy. Such a shift has positive impacts, both on business (i.e. access to finance, formalisation of commercial contracts, limiting liability, improved physical security, and access to government subsidies and training programs) as well as governments (i.e. increase in taxation revenues, reduced policing costs, increased information for economic policy, and the ability to measure more accurately the performance of the economy).^{46 47} Simultaneously, a push to the formal economy might also incur additional costs, particularly for the employer.

These effects are complex, strongly interdependent, and largely expected to materialise in the long term and can, therefore, not be quantified as part of this research. The increased push to the formal economy is predominantly linked to scenarios 1 and 2.

Increased costs -

Finally, the goal of the Employment Justice Platform to better inform people about their rights and the legal context might also lead to an increased need for the support provided by the government (i.e. legal advice, judges, etc.). When improving the information position of people, it can be expected that these citizens will, subsequently, also act upon this information and request support. This may translate to additional expenses by the Tunisian government. This effect is likely to materialise predominantly in scenarios 1 and 2.

44 Pathfinders, 2019, Justice for All.

45 Similar observations were made in Ecorys, 2021, Beleidsdoorlichting Artikel 32 rechtspleging en rechtsbijstand.

46 Pathfinders, 2019, Justice for All.

47 ILO, 2021, Transition from the informal to the formal economy - Theory of Change.

5 Outcomes of the CBA

In the previous chapter, the individual costs and benefits were presented. In this chapter, they will be brought together, and the overall attractiveness of the project will be assessed. As the future is uncertain, several sensitivity analyses have been performed to test the robustness of the outcomes.

The social-economic CBA

The CBA assesses if, from a socioeconomic perspective, a project is desirable or not. This means that not only the effects for those stakeholders directly involved are looked at, but also the social effects for all stakeholders, for example, effects on the judicial system in Tunisia. These effects are expressed in monetary terms as much as possible. The ratio of all these costs and benefits shows the socioeconomic return.

When only considering the monetised effects of the judicial platforms, it becomes apparent that all scenarios are positive. In each scenario, the costs directly related to launching and maintaining the Platform are lower than the societal benefits. Nevertheless, it should be noted that when only looking at the societal benefits, some elements will increase (e.g. costs for involving a mediator or the costs related to self-action) as more Tunisian people will take action to solve their work-related legal problem.

When considering the non-quantified benefits, most of them will be impacted positively by the Platform. However, some scenarios have larger positive effects than others (for instance, regarding increased empowerment and satisfaction with the outcome).



The following table provides an overview of the balance of costs and benefits for the period 2023-2027. Costs and benefits are expressed in the Net Present Value (NPV) with a price level from 2022.

TABLE 5.1: CBA RESULTS UNTIL 2037 (NPV, IN EURO)

	Scenario 1	Scenario 2	Scenario 3
One-off costs			
Investment costs	-132,000	-132,000	-132,000
Marketing costs	-20,000	-20,000	-20,000
Recurring costs			
Maintenance costs	-447,000	-447,000	-447,000
Marketing costs	-162,000	-162,000	-162,000
Support staff	-776,000	-776,000	-776,000
Benefits (quantified)			
Unresolved - no action	-	13,310,000	14,822,000
Unresolved - action	3,951,000	-7,068,000	-2,060,000
Resolved - self-action	-874,000	-1,705,000	-1,328,000
Resolved - mediator	-226,000	-441,000	-343,000
Resolved - lawyer	-270,000	-528,000	-411,000
Benefits (qualitative)			
Increased empowerment	+	++	++
Increased satisfaction with the outcome	+	++	+ / -
Improved financial security	+	+	++
Increased quality of the justice system	+ / -	+	+
Increased push to formal economy	+ / -	+ / -	+ / -
Increased costs	-	-	+ / -
Total costs	-1,537,000	-1,537,000	-1,537,000
Total benefits	2,581,000	3,568,000	10,681,000
Net present value	1,044,000	2,032,000	9,144,000

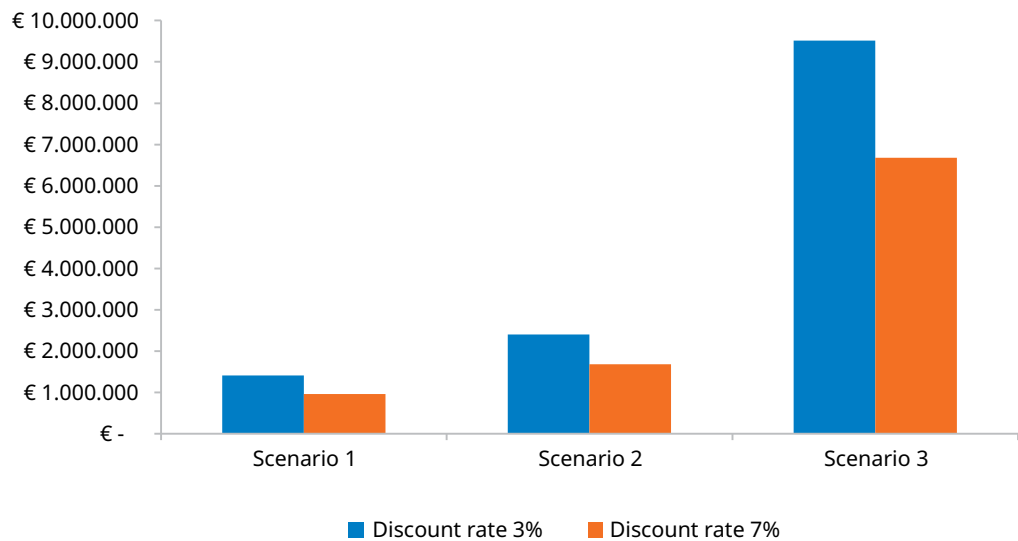
Sensitivity analysis

A sensitivity analysis has been performed to explore the effects of changing key value drivers on the results of the CBA. Those variables are expected to be critical, and changing them, positively or negatively, has the largest impact on the project's economic performance indicators. To isolate the impact of one variable at a time, a sensitivity analysis always changes one variable at a time. Two different sensitivity analyses have been carried out; one on a higher discount rate and one on higher investment costs.

Sensitivity analysis 1 – change in the discount rate

The first sensitivity analysis assesses what the impact is on the CBA results of a changed discount rate. In the main CBA, a discount rate of 3% is used. In the sensitivity analysis, a discount rate of 7% is used.⁴⁸ The figure below shows the outcomes of this assessment. As can be seen, the overall attractiveness of the project is slightly less. Nevertheless, the benefits still outweigh the costs to a large extent.

FIGURE 5.1: IMPACT OF CHANGED DISCOUNT RATE ON THE NET PRESENT VALUE PER SCENARIO

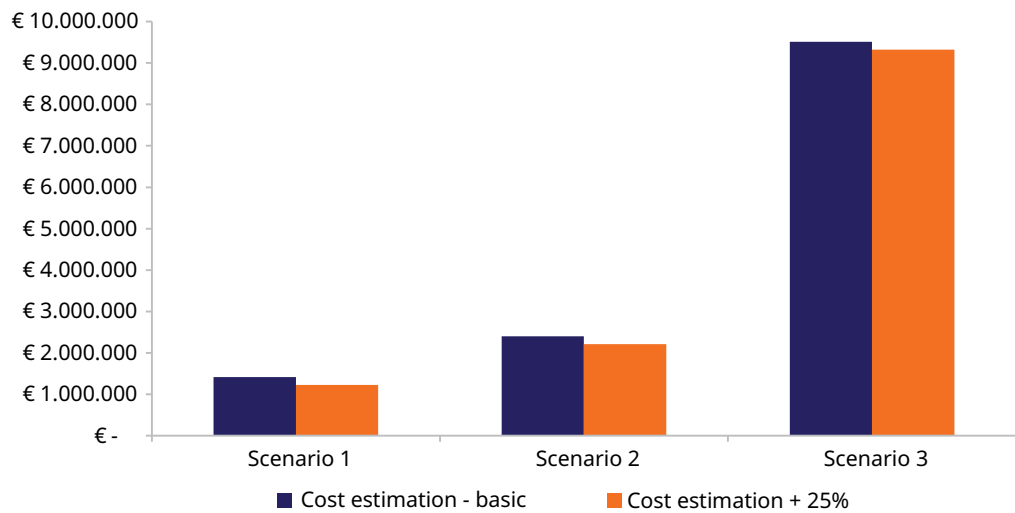


Sensitivity analysis 2 – change in the costs assessment

In this sensitivity analysis an assessment is made of what would happen to the attractiveness of the project in case the costs of the project would turn out to be 25% higher than currently estimated. In the main CBA, the net present value of the costs is assessed to be EUR 1.2 million. In case the costs rise with 25%, the net present value would be EUR 1.4 million. The impact of a cost increase on the total outcome of the CBA is limited as shown in the figure below.

⁴⁸ This is in line with Meddeb, 2022, Societal Cost-Benefit Analysis of Investing in Employment Justice in Tunisia.

FIGURE 5.2: IMPACT OF HIGHER INVESTMENT COSTS ON THE NET PRESENT VALUE PER SCENARIO



Recommendations

The current report described the results of an ex-ante CBA due to the focus on an intervention that is in an early stage of development and under consideration. The team recommends carrying out, at some point, an ex-post CBA used for projects that have been completed to calculate the costs and benefits of the effects of the Employment Justice Platform that are seen in the Tunisian context.⁴⁹ Related to this, the current CBA is based on scenarios developed around a general description of a to-be-developed platform. Once HiIL has further developed the design of the Platform, more context can be provided for the description of a project alternative. As a result, a CBA could offer more accuracy and precision, allowing for a more comprehensive understanding of the specific nature, scope, and components of the intervention, leaving no room for misinterpretation.

The calculations of the CBA are based on Tunisian data where possible. However, data from a Tunisian (or North African) context was not always available. Among others, the costs for the health problems in a Tunisian family during an unresolved case were based on Dutch data and the costs for the Platform were partly based on expert opinion and limited literature on the subject. Although data was transferred to the Tunisian context where possible, for example, through calculations using gross domestic product (GDP), it is recommended to further investigate the effects for people in the Tunisian context.

⁴⁹ MKBA Informatie, n.d., Ex-ante effecten analyse.
See: www.mkba-informatie.nl/mkba-basics/abc-van-de-mkba/ex-ante-effecten-analyse/



Annex I - Detailed description of the benefit calculation

To assess the benefits of the Employment Justice Platform, it is important to calculate the societal cost savings resulting from more cases that are successfully resolved, as well as the number of cases that have been prevented. To assess these societal costs, savings of five elements are key. The five elements are all 'responses' to a work-related legal problem. They can be broken down into the following categories:

1. unresolved case – no action
2. unresolved case – action
3. resolved case – self-action
4. resolved case – mediator
5. resolved case – lawyer/court

For each of these responses, the costs per case have been calculated. Below the study team presents how the calculations have been made. The costs for an 'unresolved case – action' are explained as the last.

Unresolved case – no action

If a person is faced with a work-related legal problem and decides not to take action, they will be confronted with several costs related to this decision. Costs met consist of possible **health problems** (such as stress) and loss of productivity, expressed as a **loss of tax income**.

The costs for health problems are based on Dutch figures due to the lack of comparative data. A recent study assessed that the health costs related to an unresolved legal problem vary between EUR 900 and EUR 1,800 for the person involved in the legal problem. Besides costs for the person involved, the person's spouse is also confronted with health-related costs. Costs for the spouse are estimated to range from EUR 450 to EUR 900. In case the couple has children, they will also face health costs. These costs were assessed to range from EUR 225 to EUR 450 per child.

To translate these figures to the Tunisian context, the GPD of both the Netherlands and Tunisia was used as a conversion factor. The factor used was 0.0461.⁵⁰ To assess the impact on one family, it was assumed that an average Tunisian family consist of 3.9 family members.⁵¹ The health-related costs for an average Tunisian family would amount to the following figures:

⁵⁰ The Dutch GPD in 2021 amounted to 1.01 trillion US dollar. The Tunisian gross domestic product (GDP) for the same year equalled 46.69 billion US dollar. Data are collected from the World Bank: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=TN>.

⁵¹ ArcGIS Online, 2022, Average Household Size in Tunisia. See www.arcgis.com/home/item.html?id=35435ebe8a-b2477aa66d8077fd88616#:~:text=Description-This%20map%20shows%20the%20average%20household%20size%20in%20Tunisia%20in,household%20population%20by%20total%20households.

TABLE A.1: COSTS FOR HEALTH PROBLEMS (IN EUR)

	Lower bound	Upper bound	Average
Employee	41	83	62
Spouse of employee	21	41	31
Children of employee	21	41	31
Total	104	207	156

The study above indicates that the impact of a legal problem is high and, therefore, that the upper bound figure is the most likely cost related to a health issue. The study team also used this upper bound. So the health costs for one Tunisian family would amount to EUR 207.

In addition to health problems, a legal problem also leads to a loss of income tax. The following is assumed to assess the loss of income tax: the average monthly wage in Tunisia is USD 277.⁵² Translated to euros this equals EUR 250. Each month the legal problem is ongoing; the loss of tax income is assumed to be 10% of the wage.⁵³ Tunisian experts consulted for this CBA indicated that legal problems last between 12 to 36 months. This would result in the loss of income tax shown in the following table.

TABLE A.2: LOSS OF INCOME TAX PER CASE (IN EUR)

	Lower bound	Upper bound	Average
Expected duration of the conflict	12	36	24
Income affected	3,004	9,001	6,008
Loss of income tax	300	901	601

As the duration of a legal issue could differ a lot, the CBA uses the average loss of income tax, thereby assuming that an average case takes up to 24 months. The related costs amount to EUR 601.

The combined costs for an unresolved case in which no action has been taken therefore amount to EUR 808 per case.

⁵² Paie Tunisie, 2022, Salaire moyen en Tunisie. See <https://paie-tunisie.com/412/fr/223/publications/salaire-moyen-en-tunisie>

⁵³ SEO, 2022, Kosten en baten van samen recht vinden.

Resolved case – self-action

In case a person is successful in resolving their case, one of the ways of solving the problem is by self-action. This leads, however, to a cost for the person involved. It is assumed that the costs incurred for self-action solely consist of the **loss of income tax** for the period the person is solving their case. The calculation method is the same as for the ‘unresolved case – no action.’ This means that the costs related to a ‘resolved case – self-action’ amount to an average of EUR 601 per case.

Resolved case – mediator

Another option to solve the case is to consult a mediator. In this case, the costs related to this response consist of two elements: (1) the **loss of income tax** during the legal problem and (2) the **costs for the mediator**. The calculation for the loss of income tax is the same as for the other responses and therefore amounts to EUR 601.

The costs for the mediator are calculated as follows: it is assumed that the mediator needs to spend, on average, 10 hours per case.⁵⁴ The hourly wage of the mediator is TND 23⁵⁵ or EUR 6.82. The involvement of the mediator would result in a cost of EUR 68.

The combined costs for a solved case involving a mediator amount to EUR 669.

Resolved case – lawyer/court

The last option considered to solve a case is to consult a lawyer or bring the case to court. The costs related to this response also consist of two cost elements: (1) the **loss of income tax** during the legal problem and (2) the **costs for the lawyer**. The calculation for the loss of income tax is the same as for the other responses and therefore amounts to EUR 601.

The costs for the lawyer are calculated as follows: it is assumed that the lawyer needs to spend, on average, 20 hours per case.⁵⁶ The hourly wage of the lawyer is TND 45⁵⁷ or EUR 13.34. The involvement of the lawyer would result in a cost of EUR 266.86.

The combined costs for a solved case involving a lawyer amount to EUR 868.

54 Panteia, 2019. De Nederlandse Mediationmarkt.

55 Salary Explorer, 2023, Arbitrator Average Salary in Tunisia 2023, See www.salaryexplorer.com/salary-survey.php?loc=220&loctype=1&job=12092&jobtype=3.

56 The figure is based on compensation scheme for Dutch social lawyers. They receive a pre-set compensation for x amount of hours made. In the Dutch system, 7 types of work-related legal problems are covered. The team took the average of these 7 categories. Source: Raad voor Rechtsbijstand, 2022, Punten- en zaakcodelijst voor toevoegen vaststelregistratie. See www.rvr.org/kenniswijzer/zoeken-kenniswijzer/toevoegen/alle-rechtsterreinen/punten-zaakcodelijst/#h3a5a323d-1d97-4d3d-b26e-43bc5413710f.

57 Salary Explorer, 2023, Attorney Average Salary in Tunisia 2023. See www.salaryexplorer.com/salary-survey.php?loc=220&loctype=1&job=513&jobtype=3.

Unresolved case – action taken

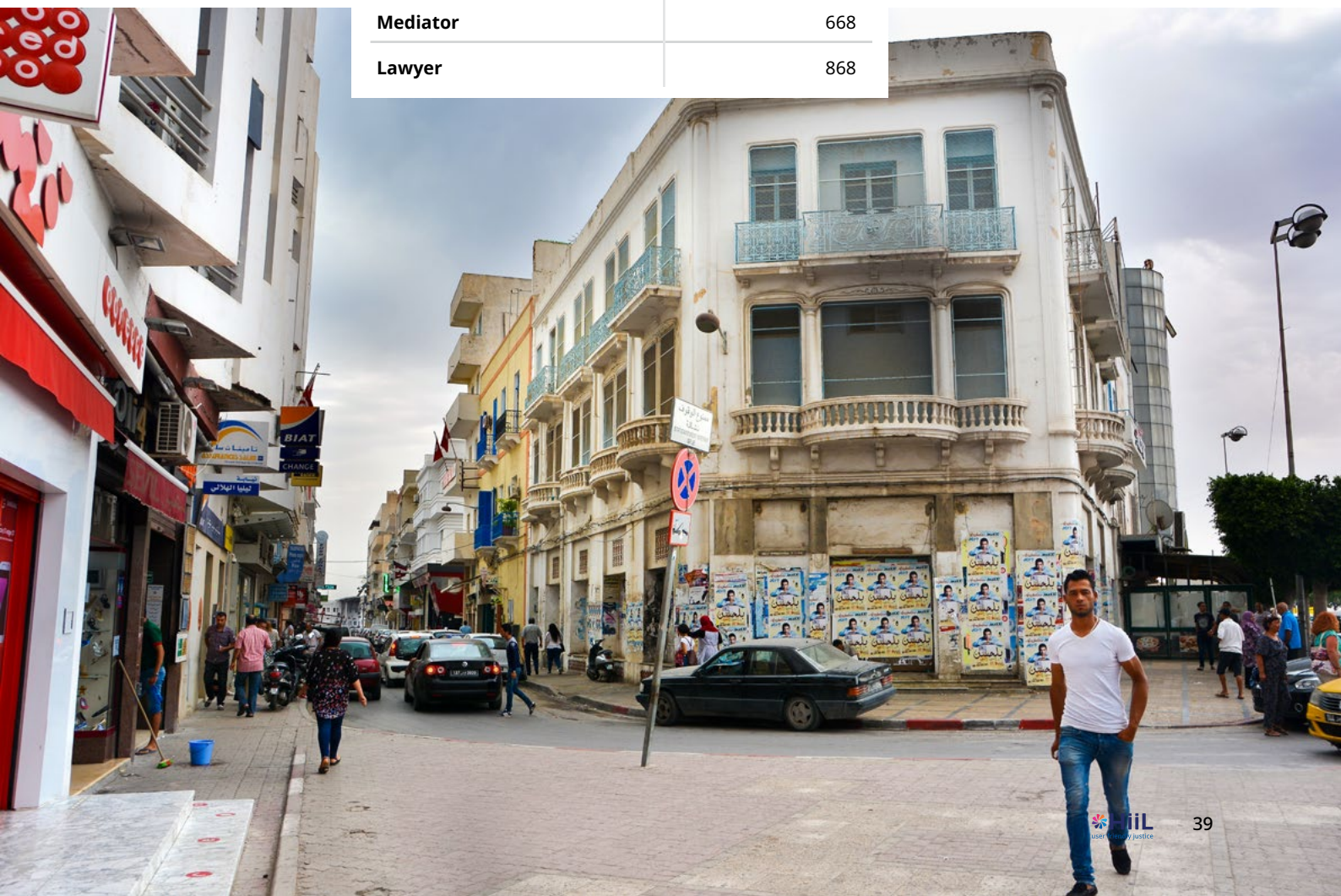
In this case, the person confronted with a legal problem decides to take action. However, the case remains unresolved. This person is also faced with costs as well. The study team assumes that the costs consist of two components: (1) the same costs as faced by a person who does not take action and (2) the average costs of a case which is resolved (i.e. the average for self-action, mediator and lawyer/court).

The costs of this response amount to EUR 1,521, consisting of EUR 808 for an 'unresolved case – no action and EUR 712 (i.e. (EUR 601 + EUR 669 + EUR 868)/3).

Conclusion

Based on the above cost calculation, the societal costs linked to each of the responses are provided in the table below.

	Costs
Unresolved case	
No action	808
Action	1,521
Resolved case	
Self-action	601
Mediator	668
Lawyer	868



Annex II – Methodological note

For the current project, the Ecorys study team has carried out a work plan consisting of six steps. The study team consists of the authors of the current report. The research was conducted during the course of the first four months of 2023.

TABLE A.4: TIMEFRAME OF THE SIX STEPS OF THE WORK PLAN FOR THE CURRENT STUDY

	January	February	March	April
Step 1. Kick-off and finetuning of methodology				
Step 2. Analysis of documents and statistics				
Step 3. Working session with Hiil				
Step 4. Impact Arena				
Step 5. Quantitative analysis				
Step 6. Reporting				

- Step 1: Kick-off and finetuning of the methodology – during the kick-off on January 16, the scope of the research was finetuned (objectives of the intervention, objectives of the CBA, methodology, and planning of the project).
- Step 2: Analysis of documentation and statistics: based on written documentation and conversations with the client, the study team researched the following topics to conduct the CBA in a structured manner: the issue at stake, stakeholders, and the planned intervention, including goals, rationale and (un)intended effects.
- Step 3: Work session with a client – on February 20, 2023, a digital work session was held to further investigate the scope, target audience and goals of the intervention. In addition, the scope of the CBA was discussed, including the costs and benefits to consider.
- Step 4: Impact Arena – during an Impact Arena⁵⁸ with various subject-matter experts on March 17, 2023, the direct and indirect effects of the intervention were mapped, and goals and functionalities of the to-be-developed Employment Justice Platform were discussed.
- Step 5: Quantitative analysis – based on previous data collection, costs and benefits were identified, and their impact was calculated. The outcomes were brought together in the actual CBA, including net present value, internal rate of return, and sensitivity analyses.
- Step 6: Reporting – the current report shows the results of the socioeconomic CBA in a comprehensive and structured manner for a broad audience.

⁵⁸ An Impact Arena, a loose translation of the Dutch 'EffectenArena', is a tool co-developed by Ecorys to map effects of an intervention with subject-matter experts in a structured group discussion.

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In 1929, businessmen from what is now Erasmus University Rotterdam founded the Netherlands Economic Institute (NEI). Its goal was to bridge the opposing worlds of economic research and business – in 2000, this much respected Institute became Ecorys.

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