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**THE POLITICAL ECONOMY OF BUSINESS ELITES  
IN TUNISIA: ACTORS, STRATEGIES AND IDENTITIES**

**Mohamed Oubenal and Houda Ben Hamouda**

**Working Paper No. 1273**

# **THE POLITICAL ECONOMY OF BUSINESS ELITES IN TUNISIA: ACTORS, STRATEGIES AND IDENTITIES**

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## Abstract

When the Tunisian government seized the assets of the Ben Ali clan in 2011, prosperous companies were sold to some fractions of the business elite which started adopting a strategy of direct intervention in the political sphere to consolidate their resources and find new opportunities. In order to study the position of business elites in Tunisia we use a methodology combining a social network analysis (SNA) of the board of directors of Tunisian listed companies and a qualitative history of its political economy.

We shed light on the regional identities of some family groups and the centrality of financial institutions such as insurance companies. The financial sector is dominated by the State, but some Djerbian families occupy important positions. Sfaxian entrepreneurs are organized in clusters that control certain large industrial enterprises.

**Keywords:** Business elites, Tunisia, finance, Arab spring, interlocks

**JEL Classifications:** A14, N27, Z13

## ملخص

عندما حجزت الحكومة التونسية على أملاك عائلة بنعلي-الطرابلسي في سنة 2011، تم بيع بعض الشركات المزدهرة لمجموعات عائلية تونسية تشكل نخبة رجال الأعمال بالبلاد. وقد بدأت هذه العائلات، بعد الإطاحة بنعلي، في تبني إستراتيجية التدخل المباشر في المجال السياسي لتعزيز مواردها. من أجل دراسة موقع هاته النخبة، نستخدم منهجية تجمع بين التحليل الشبكي لمجالس إدارة الشركات المدرجة ببورصة تونس وتوصيف لتاريخ الاقتصاد السياسي بالبلاد.

نلقي الضوء من خلال هذا التحليل على الهوية الجهوية لبعض المجموعات العائلات ومركزية مؤسسات مالية كشركات التأمين. وإذ تهيمن الدولة على القطاع المالي فإن بعض الأسر، التي يعود أصلها إلى جزيرة جربة، تحتل مراكز مهمة في هذا القطاع. أما رجال الأعمال الصفاقسيون فهم يسيطرون على شركات كبرى بالمجال الصناعي.

## 1. Introduction

In this paper, we study the political economy of state-business relationships in Tunisia. We focus on the position of economic elites, their strategy regarding the local political actors as well as the existence of dissent voices inside those elites. We focus on business elites with specific identities such as those coming from Sfax and the place of financial institutions such as insurance companies or pension funds.

We study the structure of connections based on a methodology combining a Social Network Analysis (SNA) of board co-membership among listed companies and a qualitative history of Tunisian political economy. We notice that the CEOs of insurance companies are central inside the network of board members. The finance sector, including banks and insurance companies, is dominated by the State but some djerbian families, such as Ben Yedder and Mzabi, have important positions. The sfaxian entrepreneurs are organized in clusters that control some major industrial companies. Six years after the end of the hegemony of the RCD party, we can also notice the relative marginalization of the CEOs, such as Djilani, that had important familial and business relationships with Ben Ali.

The first section describes the methodology used to collect and analyze data while in the second one we shed light on the history of state-business relationships since the independence of Tunisia. In the third section we focus on the strategies of Tunisian business elites in the post-Arab spring context. The fourth section highlights the position of businessmen in the structure of board members of Tunisian listed companies and the Regional identities of the main family groups.

## 2. Methodology

In this paper we combine a Social Network Analysis (Wasserman and Faust 1994) of board co-membership among companies listed in Tunis Stock Exchange and a qualitative approach based on a documentary research enriched by four semi-structured interviews with board members (Lazega 1998).

We have collected data on 642 board members of the 82 companies of Tunis Stock Exchange on 01-10-2017<sup>3</sup>. Our initial data is organized as an affiliation table where each actor is affiliated to the companies where he is a board member<sup>4</sup>. We transform this table into two square matrices. The first matrix has the listed companies in the columns and lines. The cells of this matrix are filled with the number of common board members (interlocks) each two companies are sharing<sup>5</sup>. We then build a network that represents the interdependencies between companies. The second matrix has board members in the columns and lines. The cells are filled with the number of common companies each two board members are sharing. We then draw a network of relationships between board members based on common

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<sup>3</sup> We have collected the data in the form of PDF files from the website of Tunis Stock Exchange (<http://www.bvmt.com.tn/fr/entreprises/list>). Then we aggregate the data and transform it to become an affiliation table.

<sup>4</sup> The first column of the table is dedicated to board members while the second comprises company names.

<sup>5</sup> It can be 0 if two companies do not share common board members.

companies. We use Pajek software to perform the analysis. This free software, created by Vladimir Batagelj and Andrej Mrvar, enables users to visualize networks, compute centrality measures and group vertices in clusters (de Nooy *et al.* 2005). The structure of this network and the measures of the betweenness and degree of centrality<sup>6</sup> (Freeman 1979) enable us to assess the position of CEOs of insurance companies and other actors.

The interlocks, which are networks of co-participation to board companies, are used as a proxy to analyze the structure and dynamics of business relationships (Mizruchi 1996). The significant literature on interlocking studies is not focusing on MENA countries, we are trying to fill this gap by studying interlocks in Morocco (Oubenal and Zeroual 2017 ; Oubenal2018) and Tunisia.

### **3. The transformation of the Tunisian economy since independence**

We can distinguish between five periods of the Tunisian economy: the first from 1956 to 1960 has seen the control of the state on several sectors while the second period, from 1961 to 1969, is characterized by socialist political decisions. In 1970-1971, there were a shift towards market economy but the state continues to control prices and private investment and adopt protectionism to reinforce national companies. This hybrid system lasts until the structural adjustment of 1987-88. During that period, Tunisia has opened its local market and promoted privatizations. The last period starts with the establishment of the Euro-Mediterranean Association Agreement (1998) following the Barcelona Process, which requires Tunisia to support the free movement of goods and capital.

We will further describe those five periods which are important to understand the construction of the Tunisian market economy and the strategies of its economic elites (Morrisson and Talbi 1996).

During the first years of the independence there were some hesitations regarding the path to follow but the country was finally committed to industrialization and developmentalism. The state plays an important role with huge investments, developing state-owned industrial companies and increasingly controlling many sectors of the economy. The national trade union UGTT was a key actor in adopting this strategy. The former president Habib Bourguiba had to cope with UGTT given its major role in the independence movement and its strength in the whole country. Furthermore, socialism was on the rise in the 1960s and the independent state of Tunisia was looking for full economic sovereignty. This means major nationalization as well as the Tunisification of various French companies and land reform which leads to the exit of French and foreign capital. Since the Tunisian private sector did not provide enough resources to replace foreign capital, the state funded the different economic sectors (industry, agriculture and energy). To fund those huge investments the external debt of the country increased.

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<sup>6</sup> In this case, the betweenness centrality refers to the capacity to connect actors that do not sit in the same boards while the degree centrality corresponds to the sum of different board members that each actor meets in the boards of listed companies.

There are different assessments of this period. Some consider the economic policies, mainly collectivization, as a failure because they did not help creating a dynamic private sector. But an important report of the Ministry of planning in 1971, cited by Mansour Moalla (2011) highlights some positive aspects because those policies allowed a newly independent country to build the minimum infrastructures. Those basic equipments in hydraulics, soil protection, energy, transport, education, housing and health benefited from half of the total investments.

During this period the World Bank and The International Bank for Reconstruction and Development (IBRD) have supported the developmentalist policies initiated by Ben Salah the powerful minister of finance, economy and planning. Important loans were granted for industrialization, investments in education and the building of infrastructures as well as the projects of collectivization in agricultural. The international institutions have considered positively those economic choices in order to reduce the dependency on France.

By the end of 1969, the same institutions put pressure on president Bourguiba to move to a more liberal model. In 1969, the World Bank revealed the important deficits of many state owned Tunisian companies while a report of the IBRD, issued in the 25th August of the same year, rejects the collectivization land policies and subordinates the granting of loans to the withdrawal of those policies. Furthermore, the uprisings of owners refusing to be dispossessed of their lands in the region of Urdanine led the president Bourguiba to stop the socialist experience. He then appointed, in 1970, Hédi Nourira as prime minister.

This nomination was considered as a symbolic shift to a more liberal approach of economic policies. In the late 1960s, Hédi Nourira who was governor of the central bank has started applying some reforms in the banking sector. He liberalized the economic model in order to develop a dynamic private sector and create more jobs.

As a prime minister, Hédi Nourira had established an important law in April 1972. The aim of this law is to encourage the exporting industries by financial aids, tax exemptions and support the development of small and medium-sized enterprises. The government of Hédi Nourira also initiated the creation of land agencies. One of those agencies was dealing with industrial zones to attract direct foreign investments and authorize off-shore banks. The exporting companies, which often had a foreign shareholder; do no longer have barriers on currency exchange and benefit from tax exemptions. In addition, the Industrial Promotion and Decentralization Fund (Foprodi) was sat up to enable young Tunisian entrepreneurs to create new industrial companies. The Foprodi can fund the project by entering the capital of the company or help the entrepreneurs have access to credit with good terms. It can also provide them with technical and financial training. The main objectives of this fund were to foster the development of a new generation of industrialists and to extend the industrialization into poorer inland regions.

Hédi Nourira believed that a small country such as Tunisia needs to develop an export-oriented industry in order to promote growth and employment. According to him, the use of different

incentives can attract international investors in free zones while keeping the local market protected from external competition. During his mandate as prime minister the state continues to control companies in many sectors.

The end of the 1970s was characterized by social conflicts and contestations led by the national trade union UGTT. This obliged the government to keep the price system under control until 1987 (Morrisson and Talbi 1996). Tunisia had also a compensation fund that gave subsidies on different goods.

But, the oil shock and the increasing of budget expenditure induced an important volume of debt. Due to the imbalances created, the IMF imposed stabilization programs. With the 1987-1988 structural adjustment, Tunisia moved to a neoliberal economic policy where the state invests less in the economic sectors and controls less companies and banks. The decrease of the involvement of the state in the economy and the advent of a new president, namely Ben Ali, opened up new opportunities for the private sector.

The early 1990s increased the liberalization process supported by the Barcelona Agreement. This decade is also characterized by the opening of new sectors such as agribusiness, mobile phones and innovative industry for private economic actors.

By the end of the 1990s, there was a shift in the governance of the economy. The inner circle of the family of Ben Ali and his wife Leila Trabelsi (Kchouk 2017) started controlling investments and private projects. The Trabelsi-Ben Ali clan created a system of alliances (through marriage for example) and obedience (for instance by controlling the UTICA or sanctioning some dissent voices) to consolidate their position.

#### **4. Tunisian Business elite seizing post-Arab spring opportunities**

The studies that have focused on state-business relationships during the Ben Ali era have evidenced the domination of the clan over the business association UTICA and big entrepreneurs of the country (Bellin 1994 ; Cassarino 2004 ; Hibou 2006 ; 2008).

In the Ben Ali system, entrepreneurs may benefit from different opportunities but they were obliged to respond to the demands of the presidential party. Tunisian business elite were asked to contribute to the government policies<sup>7</sup> such as reducing the unemployment or funding social initiatives.

The other major characteristic of those years is the different sanctions against any act considered against the will or orientations of the president and his clan. The cases of the

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<sup>7</sup> Hibou (2008, 130) reports the diversification of the activities of Aziz Miled into the dairy industry. The entrepreneur explains his "nationalist act" as a response to the solicitation of president Ben Ali who asked entrepreneurs to participate in the political efforts to gain self-sufficiency in that sector.



disgrace of Kamel Eltaïef<sup>8</sup>, the former ally of Ben Ali, or the eviction of Mansour Moalla from the BIAT bank are well known in the Tunisian business sphere<sup>9</sup>. According to many executives tax control was largely used to sanction any entrepreneur that starts gaining autonomy. This created a structural interdependency between the Tunisian business elite and the Ben Ali clan.

Among the most important entrepreneurs no one expected the president Ben Ali will leave the country one month after the beginning of the contestation in Tunisia. No one drop out from the political consensus to sustain the regime<sup>10</sup>. First, the position of many entrepreneurs was to “wait and see” the evolution of the situation and seize any economic opportunity related to the departure of the Ben Ali clan (Kchouk 2017a). Second, the most important family groups have adopted a strategy of direct intervention in the political sphere to consolidate their resources and find new opportunities.

When the government seized the assets of the Ben Ali clan, prosperous companies were sold in a call for tender opened essentially for local investors<sup>11</sup>. Three car dealerships under the perimeter of Ben Ali clan have been purchased by some fractions of the business elite: Poulina and Ben Yedder bought the majority shares in the holding company Ennakl<sup>12</sup>, Bouchamaoui and Chabchoub became the new main shareholders of City Cars<sup>13</sup> while the Loukil group bought the company Ennakl Vehicules Industriels<sup>14</sup>. The selling of this companies have been possible thanks to the expropriation of the assets owned by the Ben Ali clan and the creation of the holding Karama to manage them until privatizations and transfer some of the assets to the subsidiary of a newly created state-owned institutional investor called Caisse de Dépôts et de Consignations (CDC). However, the major business groups lobbied to stop the transfer of the most profitable companies to the state-owned CDC Développement (Kchouk 2017a, 177). Other interviewees<sup>15</sup> were even suspecting conflicts of

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<sup>8</sup> Kamel Eltaïef was cited by Hibou (2008, 118) as an exceptional case of violent sanctions against entrepreneurs. She also mentioned the example of Abdelali Bouden, former president of a bank, who was jailed and Khemais Toumi, partner of the brother of the president in a tobacco company, was forced to exile.

<sup>9</sup> The two cases were cited but two different executives that we have interviewed during our stay in Tunis between 20 and 27 january 2018.

<sup>10</sup> Abdelwahed Ben Ayed, the CEO of Poulina which one among the most important companies in Tunisia, declared during the first weeks of the riots: "We have already faced difficulties in the past. The wind will change in our favor". See: « Les 50 qui font la Tunisie : Abdelwahed Ben Ayed, symbole du capitalisme », *Jeune Afrique* in 26 may 2012, <http://www.jeuneafrique.com/142015/economie/les-50-qui-font-la-nouvelle-tunisie-abdelwaheb-ben-ayed-symbole-du-capitalisme/> (accessed: 14/02/2018).

<sup>11</sup> Some foreign investors were allowed to acquire shares of Ben Ali clan in the companies where they already had a share in the capital before 2011. This is for the case of Crédit Mutuel in Banque de Tunisie and Qtel in the phone company Tunisiana.

<sup>12</sup> See: « Les détails de la prise de 60% du capital d'Ennakl par Poulina-Parenin », *Kapitalis* in 18 november 2012, <http://www.kapitalis.com/kapital/12903-les-detaills-de-la-prise-de-60-du-capital-d-ennakl-par-poulina-parenin.html> (accessed: 14/02/2018).

<sup>13</sup> See: « Tunisie : Bouchamaoui-Chabchoub rachète City Cars », *Jeune Afrique* in 19 december 2012, <http://www.jeuneafrique.com/23344/economie/tunisie-bouchamaoui-chabchoub-rach-te-city-cars/> (accessed: 14/02/2018).

<sup>14</sup> See: « Le groupe Loukil rafle Ennakl Vehicules », *Leaders* in 15 june 2014, <http://www.leaders.com.tn/article/14346-le-groupe-loukil-rafle-ennakl-vehicules> (accessed: 14/02/2018).

<sup>15</sup> One of executives that I have interviewed during my stay in Tunis between 20 and 27 january 2018.

interests of Ahmed Abdelkefi, the former CEO of Karama holding, who was also CEO and board member in some private financial companies.

Before 2011, there was a differentiation in Tunisia between the major family groups and the center of the political power (Kchouk 2017a, 165-166). While the number of entrepreneurs increased in the parliament of Morocco since 1997 (Bennani-Chraïbi 2008), there were very few members of the business elite among the Tunisian parliament. Moreover, some Moroccan entrepreneurs have been designated as ministers while Ben Ali kept, the Tunisian private capital, out from the government.

This situation has changed in 2011. When Ben Ali has left the country in the 14<sup>th</sup> of January, a rebellion started inside the business association UTICA. One of the leaders of this rebellion remembers that “the ATUGE network of some CEOs<sup>16</sup> was very helpful at that moment. We had a lot of meetings in January and we started a new movement with clear claims and objectives”. Hedi Djilani, a close ally of the Ben Ali clan, had been obliged to resign from the position he had occupied since 1988 at the head of UTICA. A long process of negotiations with young entrepreneurs led to the cooptation of some of them inside UTICA’s executive board along with well-established family groups. In addition, the elections of the delegates of UTICA in 2013 have been supervised, for the first time, by independent observers<sup>17</sup>. In addition, UTICA restored some legitimacy when it had received the Nobel Prize, along with the national trade union UGTT, the human rights league and the bar association. The business association also starts to play a major role in national politics<sup>18</sup>. On the one hand, the different political parties needed members of the business elite to fund their campaign<sup>19</sup> and/or provide them with economic expertise and networks. On the other hand, entrepreneurs were no longer afraid of entering the Tunisian parliament in the post-Arab spring liberalized context.

At the individual level many entrepreneurs started doing politics. For instance, Mohamed Frikha has joined the islamist party Ennahda<sup>20</sup> to become deputy in the Tunisian parliament while others such as Faouzi Elloumi, Moncef Sellami or Zohra Driss are important members of the secular party Nidaa Tounes. The case of Slim Riahi is also very interesting. While the activities of his family group were mainly located in Libya, he came back to the country in 2011 to create a new party, became the president of a popular football team (Club Africain) and one of the richest and controversial businessmen in the country. The combination of

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<sup>16</sup> When asked about the common characteristics of the members of this network, our interviewee stated that many of them were members of ATUGE (*Association des Tunisiens des Grandes Ecoles*) and some of them were sfaxian.

<sup>17</sup> According to one interviewee, the UTICA did not allow independent observers during the elections of 2018.

<sup>18</sup> When studying the trajectory of many executives that were ministers, state secretaries or councilors during the Ben Ali era Kchouk (2017b) observed another phenomenon. He noticed the investment of some former political actors in economic activities as CEOs, board members or advisors.

<sup>19</sup> Two interviews made in 2014 by Bilel Kchouk (2017a, 174-176). The first with Abdelfattah Mourou the vice-president of the islamist party Ennahda and the second one with Marouane Mabrouk the brother in law of Ben Ali and one of the most important businessmen in Tunisia.

<sup>20</sup> Kchouk (2017a, 175) noticed that the businessman Hedi Djilani, who was deputy and member of the executive bureau of Ben Ali’s party RCD, appears in some meetings of Ennahda and was one of the first to attend the wedding of the daughter of the Rachid Ghannouchi the leader of the islamist party.

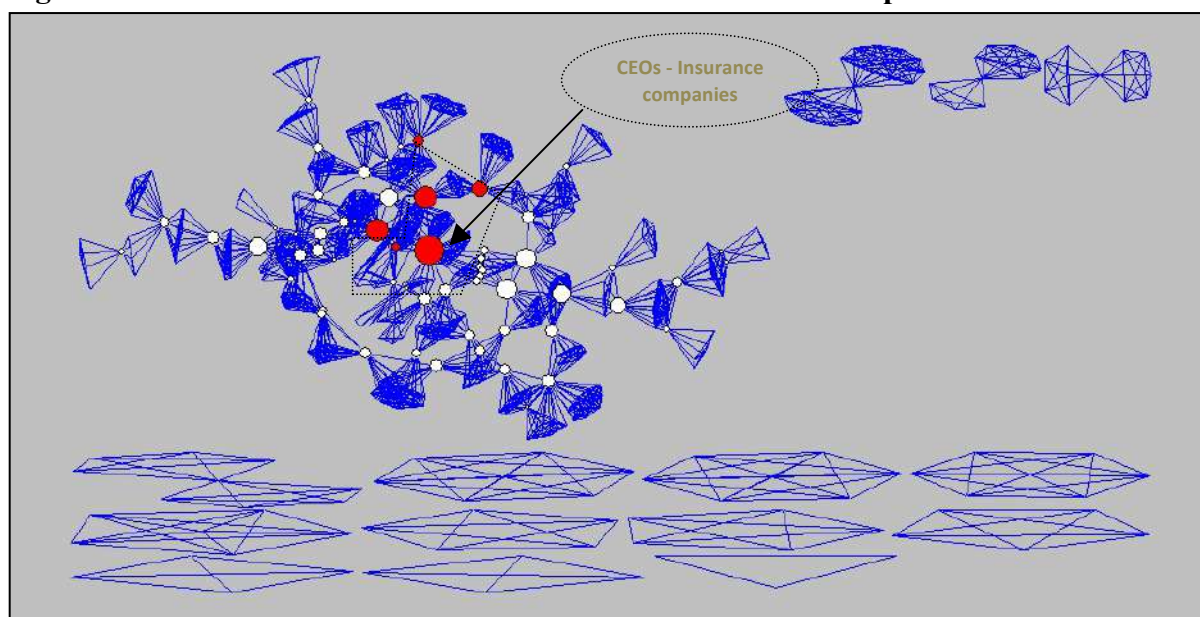
money, networks and popularity makes him appear as the new Berlusconi of Tunisia<sup>21</sup>. Following the elections of 2014, his party became the third party in the parliament but in 2017 he has been suspected of money laundering by an investigating judge who announced the freezing of his assets in Tunisia. Selim Riahi was obliged to resign both from the presidency of Club Africain and his party UPL<sup>22</sup>.

## 5. The position of group families in the structure of board members of Tunisian listed companies

While we do not have access to the data of board members of listed companies before 2011<sup>23</sup>, the composition of the current boards of listed companies enables us to describe the position of important business groups in Tunisia six years after the fall of the Ben Ali Clan.

One of the most important results of the analysis of our data is the centrality of the CEOs of insurance companies inside the network of board members (Figure 2 below). The finance sector, including banks and insurance companies, is dominated by the State but some djerbian families, such as Ben Yedder and Mzabi, have important positions (Figure 4 below). The sfaxian entrepreneurs are organized in clusters that control some major industrial companies. Six years after the end of the hegemony of the RCD party, we can also notice the relative marginalization of CEOs, such as Mabrouk and Djilani, which had important familial and business relationships with Ben Ali.

**Figure 2: The network of board members of Tunisian listed companies**



<sup>21</sup> See: « Slim Riahi, le Berlusconi tunisien », *Le Monde* in 22 november 2014, [https://www.lemonde.fr/tunisie/article/2014/11/22/slim-riahi-le-berlusconi-tunisien\\_4527785\\_1466522.html#WZ7mbigwTqQxoxdL.99](https://www.lemonde.fr/tunisie/article/2014/11/22/slim-riahi-le-berlusconi-tunisien_4527785_1466522.html#WZ7mbigwTqQxoxdL.99) (accessed: 08/06/2018).

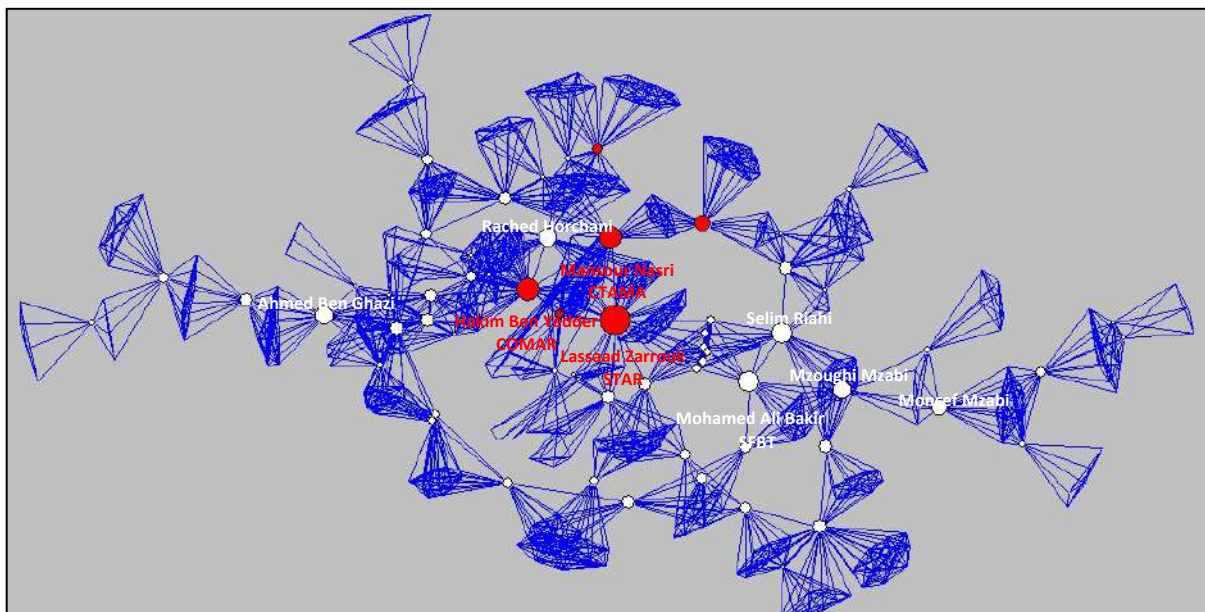
<sup>22</sup> The campaign against corruption that had been announced by the government led to the arrest of some businessmen including Chafik Jarraya. This businessman, known for the funding of different parties and medias, is accused of conspiracy against the security of the state.

<sup>23</sup> The next step of our research will be to find out the data on board members for the year 2010.

The control of financial companies is important for the development of businessmen's activities in MENA countries (Henry, 1996). This control enables them to fund investments. While we have documented the role of banks and pension funds in Morocco (Oubenal and Zeroual 2017 ; Oubenal 2018) we can notice the centrality of insurance and mutual companies in Tunisia.

The plurality of financial actors in Tunisia contrast with a much more concentrated financial institutional investors in Morocco. While in Morocco the state-owned institutional investor CDG manages the allocation of pension funds, there is no such a structure in Tunisia before 2011. This led to the growing importance of numerous state-owned and private investors, mainly insurance and mutual companies as well as banks.

**Figure 3: Board members in the core of the network**



Three insurance institutions appear at the center of the core network: the state-owned company STAR, the mutual insurance CTAMA and the private group COMAR. At least two of their CEOs, like those of many strategic companies, were close to the Ben Ali clan. The STAR which is the main insurance company in the country had been managed by Abdelkarim Merdassi. He has been appointed by Ben Ali to privatize 35% of the company with an iron hand to avoid any workers' movement and keep an eye on the French partner Groupama. When Ben Ali was obliged to leave the country, this CEO had been expelled by the workers claiming that he was member of the Ben Ali clan<sup>24</sup>. They refused the appointment of another

<sup>24</sup> See: « Tunisie: les employés de l'assurance STAR virent leur PDG sous l'hymne national », *Espace Manager* in 18 January 2011, <https://www.espacemanager.com/tunisie-les-employes-de-lassurance-star-virent-leur-pdg-sous-lhymne-national.html> (accessed: 02/06/2018).

CEO, who was member of the executive bureau of the RCD party and former minister of Ben Ali<sup>25</sup>, and finally accepted Laassad Zarrouk<sup>26</sup>, a financial technocrat<sup>27</sup>.

According to one of our interviewees, Mansour Nasri was close to Belahcen Trabelsi, a member of the Ben Ali clan. He had left the mutual insurance COMAR in a bad financial situation. He has recently been replaced by Lamjed Boukhris. The later has restructured the mutual group AMI, which used to be managed by the national trade union UGTT. Since 2014, he transformed it into a private insurance company and started its privatization by the entry of companies such as the Bouchamaoui family group<sup>28</sup>. So the Bouchamaouis, who are adopting a strategy of growth and diversification since 2011, are trying to consolidate their position in the insurance sector by acquiring 20% of AMI but the state-owned bank BNA owns 23% of it while the national trade union UGTT still have 9,5% of the shares.

While the Bouchamaoui group is a new player in the insurance company sector the Ben Yedder family has a long tradition in insurance and the financial sector. The COMAR company has been acquired in 1971 during the liberalizing period. And the board of Ben Yedder's insurance compagny includes some influential actors such as Ahmed Abdelkefi who is the founder of financial companies such as Africinvest, former CEO of Karama holding and former board member of the Tunisian Central Bank in the post-Arab spring context.

When we measure the betweenness centrality to determine board members that connect actors that do not meet each other, we see that the CEOs of the insurance companies occupy the first three positions. In the ranking showed in table 1 below, they are followed by board members representing either the important family groups in Tunisia or some financial investors. We observe the presence of actors that came after 2011 such as Selim Riahi. And if we compare those results with the same one in Morocco (Oubenal and Zeroual 2017), we notice the presence of two independent directors among the twelve first central actors.

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<sup>25</sup> See: « Tunisie : Le personnel de la Star a réussi à empêcher le conseil d'administration de nommer une nouvelle PDG », *Business News* in 14 april 2011, <http://www.businessnews.com.tn/article,520,24343,3> (accessed: 02/06/2018).

<sup>26</sup> See: « Lassaad Zarrouk : Nouveau PDG de la Star », *Business News* in 10 may 2011, <http://www.businessnews.com.tn/lassaad-zarrouk--nouveau-pdg-de-la-star%2C520%2C24727%2C1> (accessed: 02/06/2018).

<sup>27</sup> The Prime Minister Habib Essid suggested Lassaad Zarrouk as a technocrat minister of finance in the list submitted, in 25th of January 2015, to the parliament. His nomination was not accepted and he was replaced by a politician from Nidaa party. Before joining the STAR Zarrouk was the head of another state-owned institution CNAM. In 2017, he has been appointed as a CEO of *Mutuelle Assurances de l'enseignement* (MAE) and continues serving as the president of the *Fédération Tunisienne des Sociétés d'Assurances* (FTUSA).

<sup>28</sup> See: « Assurances AMI : la course au contrôle est lancée ! », *Ilboursa* in 29 december 2015 <https://www.ilboursa.com/marches/assurances-ami-la-course-au-contrôle-est-lancée-8219> (accessed: 02/06/2018).

**Table 1: The ranking of board members of listed companies according to betweenness centrality**

<b>Ranking</b>	<b>Board members</b>	<b>Betweenness</b>	<b>Representing</b>
1	Lassaad Zarrouk	0,272696625	Insurance company
2	Hakim Ben Yedder	0,15733486	Insurance company
3	Mansour Nasri	0,147026551	Insurance company
4	Mohamed Ali Bakir	0,119103153	International investor
<b>5</b>	<b>Selim Riahi</b>	<b>0,118957164</b>	<b>Family group</b>
6	Mzoughi Mzabi	0,10669334	Family group
<b>7</b>	<b>Rached Horchani</b>	<b>0,098247576</b>	<b>Family group</b>
8	Ahmed Ben Ghazi	0,094478748	Financial advisor
9	Moncef Mzabi	0,076839723	Family group
10	Imed Turki	0,070648691	State owned pension fund
<b>11</b>	<b>Adel Goucha</b>	<b>0,066478158</b>	<b>Independant director</b>
<b>12</b>	<b>Abdelaziz Ben Youssef</b>	<b>0,065986087</b>	<b>Independant director</b>
13	Brahim Anane	0,065601916	Financial investor
14	Mohamed Habib Ben Saad	0,062073147	Bank and insurance
15	Hichem Driss	0,058890036	Family group
16	Mohamed Salah Frad	0,05778866	International investor
17	Fathi Mestiri	0,057109242	Bank
18	BNA	0,055911414	State owned bank
19	Khaled Bouricha	0,05263506	Family group

The case of Rached Horchani seems interesting. He is occupying the 7th place in the ranking of directors just behind one representative of the well established Mzabi family. The later has strong position in the financial sector and Horchani is also trying to reinforce himself in the banks and insurance companies. While the Horchani group was mainly focusing on trade and agri-business activities, he starts in 2009 an introduction in the capital of Banque de l'Habitat and reinforce himself thanks to the opportunities offered after 2011. In 2016, he bought 6,5%

of the BIAT, 5% of the insurance company STAR and 10% of Tunisie Leasing<sup>29</sup>. Between 2014 and 2016 he will also cross upward the threshold of 5 % in Amen bank of the family group Ben Yedder.

**Women in the boards of Tunisian listed companies:**

Women occupy 61 among the 564 seats in the boards of Tunisian listed companies. This represents 10,84% which is higher than the Moroccan score at 9,78% (55 women among 562 seats). Regarding the 92 seats of independent directors only 6 are women.

Only three women have two seats in Tunisian listed companies: Selma Babbou from the Ben Yedder group, Wided Bouchamaoui and Aoitef Jouirou representing the family group Hamila. Four CEOs are women, two among them at the head of state owned financial companies: Lamia Ben Mahmoud in Tunisie Reinsurance and Najia Gharbi in the bank STB. Two others are CEOs of private companies: Jalila Mezni the founder of Lilas and Najet Chabchoub at the head of Modern Leasing.

Regarding the ranking of directors according to betweenness centrality, the first two women appear at the 30 (Aoitef Jouirou) and the 32 place (Wided Bouchamaoui).

## **6. Regional identities of the main family groups**

If we now consider the network of companies according to the sharing of common board members (figure 4) we observe a non centralized structure<sup>30</sup>. Using a deep documentary research we collected data on the different identities of businessmen and their family groups to range them according to their regional background, the involvement in popular football team or their relationships with the Ben Ali clan.

We first shed light on the existence of a group of state-owned financial companies connected by their common board members. The central institution among them is Tunisie Re. The board of this reinsurance company contains representatives of the main insurance and mutual companies: STAR, COMAR, CTAMA, Salim, MAE and AMI as well as two state-owned banks, namely BNA and STB. This public financial group is connected with a second group composed of the djerbian families. Some of these entrepreneurs like Ben Yedder started doing business in financial activities as early as 1971 when they bought the structure that will become the Amen bank and in 1973 they controlled the COMAR insurance company. We find out another Djerbian group, the Mzabi family, in the board of financial companies such as Attijari bank and UIB.

Two important family groups seem to share some common board members, the Mabrouk and Driss. We notice that Mabrouk group experienced a relative marginalization because of the

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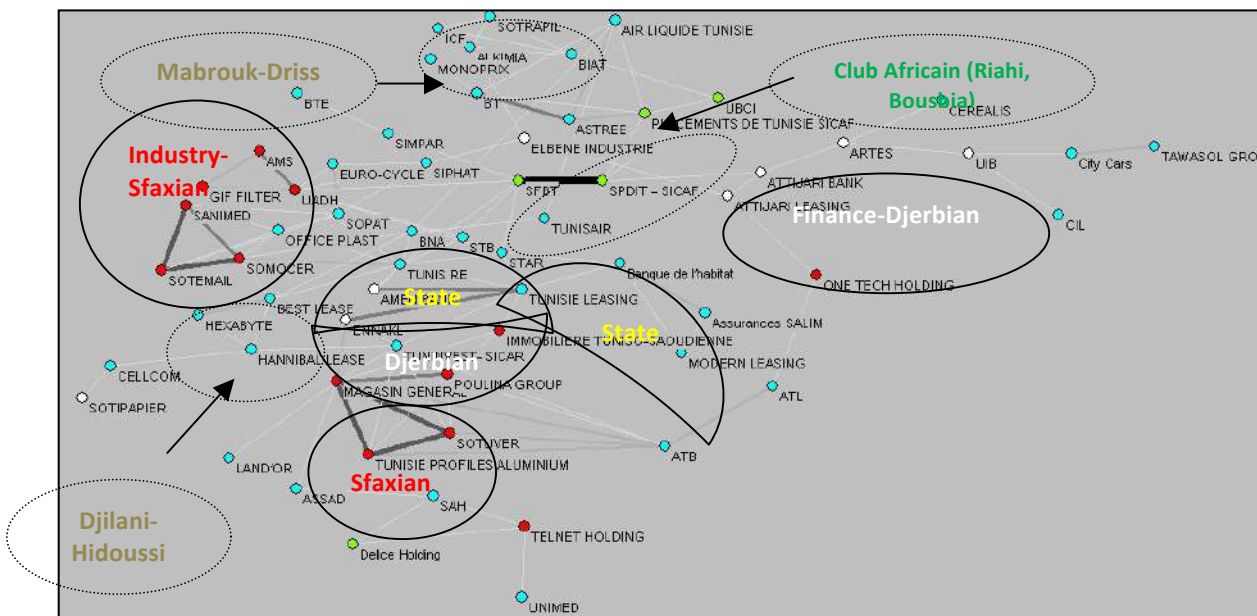
<sup>29</sup> See: « Tunisie-Bourse : Après la BH, la Star et la Biat, Horchani prend 10 % dans Tunisie Leasing », *African Manager* in 16 august 2017, [https://africanmanager.com/17\\_tunisie-bourse-apres-la-bh-la-star-et-la-biat-horchani-prend-10-dans-tunisie-leasing/](https://africanmanager.com/17_tunisie-bourse-apres-la-bh-la-star-et-la-biat-horchani-prend-10-dans-tunisie-leasing/) (accessed 02/02/2018).

<sup>30</sup> This structure maybe explained by the post-Arab spring context. We need to compare with the network of 2010 to understand the changes that may have impacted this structure.

strong proximity of Marouane Mabrouk with the Ben Ali clan. He married the daughter of Ben Ali Cyrine<sup>31</sup>. Two interviewees consider that this proximity helped him control the BIAT bank. Some members of the Driss family joined the secular party Nidaa to save some their positions in the new political context. Another group resembles the former one. It is composed of the Djilani family and Hidoussi group. Djilani has been marginalized with his exclusion from the presidency of UTICA in 2011. Some of his assets had been freezed and he had not been allowed to leave the country<sup>32</sup>.

We can also talk about groups that emerge or reinforce themselves after 2011 like Selim Riahi and Hamdi Bousbia who were president of Club Africain football team. The bouchamaoui family in the company City Cars, Hamdi Meddeb in Delice holding and president of Esperance football team appear as less connected actors in our network but do have important resources.

**Figure 4: identities of business groups in the network of listed companies**



The sfaxian two groups in the network appear as the most cohesive clusters. Those groups contain almost only industrial companies and share a strong number of common board members (represented by a magnified line). The first sfaxian cluster is controlled by Abdennadher and Loukil<sup>33</sup> families while the second cluster is dominated by Poulina group. The two other sfaxian major businessmen are Mohamed Frikha, who owned Telnet, and is deputy with the islamist party Ennahda and Moncef Sellami the CEO of One Tech Holding, deputy with the secular party Nidaa and former president of the Sfax football team.

<sup>31</sup> See: « Les Mabrouk dans la nouvelle Tunisie », *Nawaat* in 12 August 2011, Link: <https://nawaat.org/portail/2011/08/12/les-mabrouk-dans-la-nouvelle-tunisie/> (accessed: 20/02/2018).

<sup>32</sup> See: « Le cri d'alarme de Hedi Djilani », *Leaders* in 14 april 2014, Link: <http://www.leaders.com.tn/article/13819-le-cri-d-alarme-de-hedi-djilani> (accessed: 20/02/2018).

<sup>33</sup> One of the Loukil brothers have been proposed in a list of the islamist party for the elections but his candidacy have been rejected for technical reasons.



The sfaxian business elite is mainly concentrated in the industry. Even if some of the sfaxian entrepreneurs are involved in competing parties they share the idea of promoting the city<sup>34</sup>. They also share a common identity of a city that has been marginalized by Ben Ali regime<sup>3536</sup> and had resisted with a spirit of entrepreneurship. The sfaxian rhetoric combines the heroic resistance of Mansour Moalla in the bank Biat<sup>37</sup> as well as the strikes of January 2011 in Sfax with the participation of many businessmen<sup>38</sup>. The sfaxian business groups such as Poulina and Loukil<sup>39</sup> do not hesitate to cite the difficulties they have faced during Ben Ali era. Today, some of them tend to defend openly their claims and positions<sup>40</sup>.

## 7. Conclusion

The liberal reforms of Hédi Nouira supported the emergence of important family groups. During the Ben Ali era, economic actors may benefit from different opportunities but they were obliged to respond to the demands of the presidential party and accept cronyism of the Ben Ali-Trabelsi family clan.

In the beginning of the contestation in Tunisia the position of many big entrepreneurs was to “wait and see” the evolution of the situation and seize any economic opportunity related to a new context. When the government seized the assets of the Ben Ali clan, prosperous companies were sold to some fractions of the business elite (Poulina, Ben Yedder, Bouchamaoui, Chabchoub and Loukil). Important family groups started adopting a strategy of direct intervention in the political sphere to consolidate their resources and find new opportunities. For instance, Mohamed Frikha has joined the islamist party Ennahda to become deputy in the Tunisian parliament while others such as Faouzi Elloumi, Moncef Sellami or Zohra Driss are important members of the secular party Nidaa Tounes.

Regarding the structure of the interlocks of listed Tunisian companies in 2017, we show the centrality of the CEOs of insurance companies. On the one hand, the finance sector, including banks and insurance companies, is dominated by the State but some djerbian families, such as

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<sup>34</sup> See the different press articles on the involvement of Moncef Sellami (Nidaa) and Mohamed Frikha (Ennahda) for Sfax. For instance: « Tunisie : Mohamed Frikha, le patron de Telnet, veut faire décoller Sfax », published on *Jeune Afrique* in 11 april 2012, <http://www.jeuneafrique.com/142179/archives-thematique/tunisie-mohamed-frikha-le-patron-de-telnet-veut-faire-d-coller-sfax/> (accessed: 03/03/2018).

<sup>35</sup> See: « Sfax, interdite de développement? », *Leaders* in 6 july 2011, <http://www.leaders.com.tn/article/5677-sfax-interdite-de-developpement> (accessed: 03/03/2018).

<sup>36</sup> Kchouk (2017b) reports that Sfax has been under-represented among state executives compared to its economic and social weight both in Ben Ali regime (6%) and in the post-Arab spring context (8%).

<sup>37</sup> See: « Mansour Moalla publie ses mémoires et analyses : des révélations inédites et une projection dans l'avenir », *Leaders* in 25/04/2011, <http://www.leaders.com.tn/article/4954-mansour-moalla-publie-ses-memoires-et-analyses-des-revelations-inedites-et-une-projection-dans-l-avenir> (accessed: 03/03/2018).

<sup>38</sup> The article « Tunisie : Sfax, ou le business dans le sang », *Jeune Afrique* in 6 march 2012, <http://www.jeuneafrique.com/142647/societe/tunisie-sfax-ou-le-business-dans-le-sang/> (accessed: 03/03/2018).

<sup>39</sup> See: « Tunisie : le groupe Loukil met l'accent sur l'international », *Jeune Afrique* in 3 february 2012, <http://www.jeuneafrique.com/143173/economie/tunisie-le-groupe-loukil-met-l-accent-sur-l-international/> (accessed: 03/03/2018).

<sup>40</sup> See: « Tunisie: Bassem Loukil, PDG du groupe Loukil dénonce les "mafias du commerce parallèle" et l'inertie du gouvernement », *Huffington Post Maghreb* in 22 december 2015, [https://www.huffpostmaghreb.com/2015/12/22/bassem-loukil\\_n\\_8852526.html](https://www.huffpostmaghreb.com/2015/12/22/bassem-loukil_n_8852526.html) (accessed on 02/06/2018).

Ben Yedder and Mzabi, have important positions. On the other hand, the sfaxian entrepreneurs are organized in clusters that control some major industrial companies. We also evidence the relative marginalization of CEOs, such as Mabrouk and Djilani, that had important familial and business relationships with Ben Ali.

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