

POVERTY AND OLIVE OIL: OPTIONS FOR INCLUSIVE DEVELOPMENT IN SOUTHERN TUNISIA

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Tunisia is the third largest exporter of olive oil globally, with export earnings accounting for approximately half of the value of all agricultural exports for the republic. Predominantly mixed and marketed under Spanish and Italian brands, most European and international consumers are not familiar with Tunisian olive oil in its original state. Challenges to product differentiation and branding are largely related to low and erratic productivity on fragmented land holdings, coupled with a lack of economic incentives for maintaining consistency in quality. This is particularly characteristic of production unit in southern Tunisia where olives are the only feasible crop supporting livelihoods in the face of drought and climate change. Technocratic and apolitical business model approaches aimed at improving income security are available, but questionable within a contemporary environment of economic uncertainty and ongoing regional conflict. Olive oil plays an important role in the provision of insurance for rural households in Tunisia, where opportunity for engaging in formal markets for underwriting risk is not readily accessible. The vagaries of weather, within an environment of climate change, constrain stability in the production and marketing of (quality) olive oil. Land fragmentation, stemming from inheritance and land ownership norms, leads to a lack of bargaining power and when coupled with instability in output, relatively lower farm gate prices. In addition to outdated pressing equipment and issues of efficacy in service from local millers in ensuring quality, it is generally well known that household stocks of olive oil are liquidated in times of need but with deterioration in quality over time. Conventional wisdom within developmental circles would suggest the need for collective action, in order to enhance bargaining power for small and marginalized farmers, and thereby stabilization in collective quantity and quality shipped to market. Historical experiences with agricultural cooperatives in Tunisia, and generally within the Middle East and North Africa (MENA) region have however been bitter given heavy state involvement and influence. More contemporarily, policies for supporting the olive oil sector have largely been driven by opportunities within more favourable production areas where intensification presents opportunities for growth and options for enhancing returns from quality. In drier areas, lack of access to irrigation poses significant constraints to stability in supply to olive oil; and therefore, given limited other options for agricultural production, storage of olive oil as a measure of insurance potentially undermines collective efforts for marketing with quality assurance. We unpack the notion of “equity” in access to markets and services by distinguishing between horizontal and vertical measures of equity, together with an argument for why in Tunisia there is a contemporary need for avenues which support public-private-civil society partnerships in the delivery of rural advisory services. Within the spirit of a contemporary movement for uncovering more effective processes for innovation, we outline options for developing pro-poor olive oil value chains in Tunisia, which are sensitive to historically bitter experiences with cooperative movements, and timely given the EU’s recent offer to increase market access quotas for Tunisian olive oil.