An 'Arab Spring' for Corporatization? Tunisia's National Electricity Company (STEG)

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Abstract: STEG, the Tunisian public company for electricity and gas, has been created in 1962 and has since operated as a major state tool for national integration and social and economic development. Rural and urban electrification is among its main achievements. Since the 1990's, the company has followed a more commercial-oriented approach, with the aim that tariff reflect the full production cost and to prevent the growth of the manpower. Such a contractualization policy with the state can be regarded as a corporatization policy. With the Tunisian revolution in 2011, this policy is being challenged. On the one hand, STEG has hired numerous new employees; on the other hand, it is under financial pressure due to non-payment and aggressions. The energy transition toward renewable energy, and pressures from international money funders, push for a liberalization of the electricity sector at a time where increasing energy demand makes strong investments necessary. STEG is a turning of its history.

Keywords: energy, electricity, Tunisia, corporatization, public services, revolution

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Considered in Western political circles as a model of liberal economic reform in the Arab world, Tunisia suffered from high youth unemployment, inequality, and outrageous nepotism on the part of Ben Ali and his wife, the vilified Leila al-Trabulsi. Parliamentary elections and Western support masked a dictatorial regime which held a tight grip on the freedom of expression and the civil society while running the country like a personal fiefdom of the ruling family and its associates in the business and political circles. Read more about the root causes of the Arab Spring.

In Tunisia is dominated by STEG, the national utility for electricity and gas, which has held a monopoly since independence and enjoys strong historical legitimacy for its achievements. Beginning the 2000s, however, national energy self-sufficiency was challenged and the government pushed for renewable technologies, which STEG was wary of and whose implementation it has slowed. An Arab Spring for corporatization?