

Tunisia revolution and its economy research paper

[History](#), [Revolution](#)



THESIS STATEMENT

In the wake of the Jasmine Revolution, Tunisia has a great deal to repair, especially in terms of its economy; however, the ousting of Ben Ali affords the Tunisian people to create a more equalized and profitable country.

INTRODUCTION

In December 2010, a rash of organized riots and street demonstrations led to the Jasmine Revolution in Tunisia, removing the longtime President, Zine El Abidine Ben Ali, from power, the former leader fleeing to Saudi Arabia. This has precipitated a vast number of changes in the Tunisian political landscape, as well as its economic situation. A move like this surprised a great many people, who were not expecting a political and social upheaval like this from such a relatively prosperous country as Tunisia. Its non oil-based economy seemed to thrive on tourism and agriculture, which are certainly advantageous.

However, the social inequalities and rampant unemployment, as well as censorship and punishment of dissent, led the Tunisian people to revolt against their leaders. By January 14, 2011, Ben Ali was out, and Tunisia faced an uncertain future. In this paper, we will examine the Tunisian economy before and after the revolution, the effects of this revolution on the rest of the Middle East and the United States, and what lies ahead for the country.

TUNISIAN ECONOMY BEFORE REVOLUTION

Tunisia's economy in the years before the revolution was quite diverse - it had a mostly farming-based economy, and 23% of the labor force of the country farmed fruits such as citrus and grapes, and cereals, which took up

20% of the agricultural value of the country (McGuinness, p. 447). Tunisia's oil production was modest, producing less than a percent of the total oil reserves in the world, but gas was far more lucrative to them.

Most of this was due to the now former president of Tunisia, Ben Ali. In 1987, he took power and eliminated the concept of lifetime appointments to President. He facilitated several social reforms and lobbied for political change and cooperation among countries. The RCD (Democratic Constitutional Rally), the ruling party of the country, had an historic political popularity which granted it substantial power (Perkins, 2004). Despite this, there were still rampant problems with his policies, including the lack of meaningful elections (continuing to change policy to grant himself more terms).

Ben Ali had actually brought about substantial economic reform and improvement to Tunisia, to an extent - his economic reforms led to a stronger economy, due to greater foreign investment. This tripled the gross national product of the country in 2008, and helped turn it into a "Mediterranean dragon," a fast growth economy that was quickly rising in the ranks among the rest of the countries in the Middle East (McGuinness, p. 449). Even in the wake of the economic crisis in 2009, it still had a 3.7% growth in GDP, making it seem as though little could stop the rising country (AfDB, p. 1).

The biggest problem with the Tunisian economy was and is its rampant unemployment; nearly a third of the country is unemployed, mostly among the younger generation. This was one of the biggest issues that led to the

mass protests. Nearly 20% of the young people in Tunisia had a college education, and yet still were getting jobs in call centers and factories, jobs which were far from suited to educated people. (AfDB, p. 2)

Economic disparity was also a major issue for the protests - the Eastern coast of Tunisia enjoys a far greater level of prosperity than the Southern and Western sections of the country. The levels of unemployment are rampant in the latter areas, while it is still at a manageable 6.9% in Greater Tunis. (AfDB, p. 3) This also creates a social problem, with a wide class and income gap leading to less cooperation among regions, deeply segregating themselves from each other.

In terms of corruption, Tunisia was one of the most rampantly corrupt nations in the Middle East, due in no small part to Ben Ali's actions. While the economy was strong, it was made that way because of shady business deals, including low-interest banking loans that allowed predatory seeking of assets as well as a \$1 billion dollar annual level of corruption. (AfDB, p. 4) Ben Ali also allowed himself and many of his family members to become rich in the process, often not sharing as much of the wealth as he should have with his people (Walt, 2011).

Tunisia carries one of the highest levels of transparency among North African countries, meaning that the people were made aware of the government's actions. However, even with this, there is a great deal of media silence and governmental suppression of dissidence. Any voice that spoke against the corruption that was taking place was made quiet, making for an incredibly stringent and unforgiving media environment. (AfDB, p. 4)

TUNISIAN ECONOMY AFTER REVOLUTION

Once Ben Ali had fled the country and the Jasmine Revolution was complete, it became clear that many economic consequences would occur. Economic decline is estimated to be as much as 4.5% of the GDP of the country, and unemployment is high (Reuters, 2011). Despite the social changes, unemployment is a major issue, as there are few, if any, jobs available for young graduated Tunisians. There are simply too many graduates and too few openings for people at their level of education; this is compounded by the inferior training many graduates get while still getting their degree, so job competence is slightly lower (AfDB, p. 2).

After the revolution, tourism, which was one of the country's greatest draws since it is not dependent on oil for its economy, is expected to decrease sharply. A reduced level of foreign direct investment is also anticipated, as well as a great number of disrupted and dissolved businesses as a result of the revolt. This is a substantial problem, due to the fact that the increased demands on social change and reform will place a greater load on social programs and public expenses, such as salaries and wages. Inflation is expected to rise nearly 5% (AfDB, p. 6).

EFFECTS OF CHANGE ON MIDDLE EAST

The Jasmine Revolution has carried significant political ramifications throughout the Middle East. It was merely one of many Middle Eastern countries who experience political upheaval at the hands of an angry, disenfranchised, and Internet-organized public, whose violent riots and protests ousted their own leader to make room for hopeful, positive change.

The revolution itself had inspired further revolts in Jordan, Egypt and Algeria, with immolations and leaderless protests being the norm (Walt, 2011).

Since the revolution was not organized by a single leader or party, there was a power vacuum that has still yet to be completely filled. Tunisia has now endured a revolving door of leaders, many of whom last mere days, because the people are still not unified against a single cause. This has resulted in many of Tunisia's neighbors becoming incredibly rattled and making gestures to appease their populations, such as decreasing fuel and food prices (Walt, 2011).

EFFECTS OF CHANGE ON AMERICA

The United States carried a very complex relationship in Tunisia, and continues to do so. In 1987, when Ben Ali gained power, he made close political and economic friends with the United States, much of the tourism revenue for Tunisia coming from American business (Perkins, 2004). During the beginning of the ' War on Terror,' Ben Ali provided assistance, while America seemingly turned a blind eye to the social changes that needed to be made.

As the 2010 revolutions started, the American government called for Tunisia to honor the wishes of its people and have Ben Ali step down. The US government offered a great deal of media and organizational support for the revolution, which could lead to some ramifications down the road, as some could claim that a puppet regime in full support of America could be put in place of Ben Ali's administration.

THE FUTURE OF TUNISIA

Tunisia has the potential to become a quite profitable country; it “ has been fortunate in not being an oil-dependent economy,” and “ the fact that Tunisia only had a brief flirtation with socialism.... has made the privatization process much easier.” Also, job creation is still high, despite the fact that it is in industries that do not require a great deal of education. (McGuinness, p. 449) In the event that normalization happens quickly, and tourism returns to levels that are higher than anticipated, the GDP of the country could rise as much as 4. 2% by 2012; higher oil prices and food prices will place a strain on this, though. (AfDB, p. 6)

The outcome could be far less sunny, however; if the political and social landscape remains as unstable as it has for much longer, the economy might experience a 2. 5% loss by the end of the year. The fiscal deficit might get as high as 6% of the GDP, due to the incredible increases in wages that are insisted upon in spite of decreased public and private involvement. Imports will increase and exports will decrease, and the lack of tourism will bring the federal deficit up to nearly 9%. (AfDB, p. 6)

Among the major tasks ahead for Tunisia is creating job opportunities for young graduates who are unemployed. Luckily, there is a program for part-time employment in the public sector now available from the interim government, so that some of these graduates can gain a small start, getting health care coverage and added benefits. (AfDB, p. 3)

The same regional disparities exist within Tunisia after the revolution – the problem of the Eastern coast being richer than the rest of the country must be addressed, and greater attention must be paid to public investment in

those areas. Reducing this level of inequality will help to relieve tensions between the classes and offer greater public services to these ignored regions. (AfDB, p. 4)

All of these challenges are made even more difficult by the lack of an established, secure chain of government; there are still no permanent leaders, and the political transition is still ongoing. There is even a decreased fiscal landscape, the revolt costing the country about 4% of the gross national product in profit, and putting thousands more people out of work (AfDB, p. 5). Substantial work will have to be done in order to secure different revenue streams for the country.

Political transition will be one of the hardest things on the plate for Tunisian leaders right now. They must find a way to create a government that will not only fashion a more profitable government than the one Ben Ali did (including jobs for youth unemployed graduates, but a more equalized economic atmosphere throughout the entire country), but do it in a way that is more accepting of dissenting opinions and carries a greater level of democracy and honesty. Given the fact that Ben Ali created a burgeoning empire in Tunisia due to his corrupt business deals, it will take a great deal of consideration and hard work to do it better while keeping the leadership honest.

CONCLUSION

With the removal of Ben Ali from the political landscape, there is a chance to remake the Tunisian economy the right way. A lower level of corruption can be maintained, while still keeping the level of transparency the country

enjoyed before the protests. The fact that it is not an oil-based economy works very well in its favor, as it is not subject to rising fuel prices, or the potential loss of resources. Provided the provisional government can make the country safe again and appeal to those who would like to visit it (as well as businesses which promote tourism), one of the biggest draws for the Tunisian economy can get back on its feet.

The same issues that plagued Tunisia before remain even after the toppling of the regime. Unemployment is still at epidemic levels, and new job opportunities must be found for an overly educated populace who are not finding jobs suited to their skill level or education. Income inequalities still exist between regions, which divides the country even further socially, splintering Tunisia and hindering its progress.

The most uncertain factor in the economic future of Tunisia is the time at which the country will be at peace, and the level of unrest will cease. The constantly rotating buffet of leaders leads to no real change being committed or performed, and governmental stability must be secured as soon as possible. Every day without a clear plan for economic change means more and more of the GDP of the country being wasted or lost. Progress is being made on that front; nearly 67% of the people of Tunisia are said to trust the people who are currently in power. (AfDB, p. 7) However, that percentage needs to increase if there is any hope of creating a sufficiently stable political landscape to facilitate real economic growth.

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