

Tunisia's Economic Transition?

Popular Evaluations of Social Crisis and Reform

TUNISIA WAVE 4 COUNTRY REPORT

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Chantal Berman

1 Introduction

Economic growth and adequate social provision can make or break a potential democratic transition. In the five years following the 2011 uprising that overthrew former President Zine el-Abidine Ben Ali, Tunisia has successfully installed the architecture of political democracy: presidential and parliamentary elections in 2014 have been widely hailed as fair and transparent, and a consensus constitution was promulgated in January 2014. Yet the substantive benefit of democracy – the translation of citizens’ needs and priorities into concrete policy solutions – has in many ways remained elusive.

Previous survey research has established that a plurality of revolutionary protesters in 2011 were motivated by economic failures and corruption (Beissinger, Jamal, and Mazur 2015); an exit survey of Tunisians during the 2014 parliamentary elections likewise showed that a large majority of voters prioritized economic growth, employment, and the cost of living over other concerns, including security and civic freedoms (Berman and Nugent 2015). National household survey data from the Arab Barometer (2016) confirms that Tunisians identify “the economic situation” as the most important challenge facing their country.

Yet progress in terms of Tunisia’s economic transition has been slow, even with billions of dollars in aid from the International Monetary Fund. Having dubbed Tunisia the “Mediterranean Tiger” during the final decade of authoritarian rule – a sentiment echoed by the World Economic Forum, which consistently ranked Ben Ali’s Tunisia as Africa’s most competitive economy – the World Bank in 2014 issued a much grimmer prognosis of Tunisia’s economic prospects. Tunisia’s endemic unemployment and social inequality are not short-term byproducts of the economic chaos that generally follows political upheaval. Rather, these problems have deep structural roots in the growth-promotion strategies adopted by the Ben Ali regime and supported (at the time) by European trade partners and international financial institutions. An economy dominated by low-value added manufacturing and low-skill service jobs provides inadequate job prospects for Tunisia’s highly educated youth cohort, many of whom have organized under the moniker of “les diplômés chômeurs” (unemployed graduates). Persistent cronyism and high bureaucratic barriers to entry stifle job creation in small, high-skill enterprises. Tunisia’s labor market suffers high segmentation between onshore and offshore industries, between public and private sector jobs, and between formal enterprises and the vast informal economy; social mobility is limited, and job insecurity is rampant outside of small, wealthy urban enclaves. Perennial under-investment in the country’s southern and peripheral towns has created impoverished agricultural and mining communities, alienated from social and economic opportunities concentrated on the

Mediterranean coast.

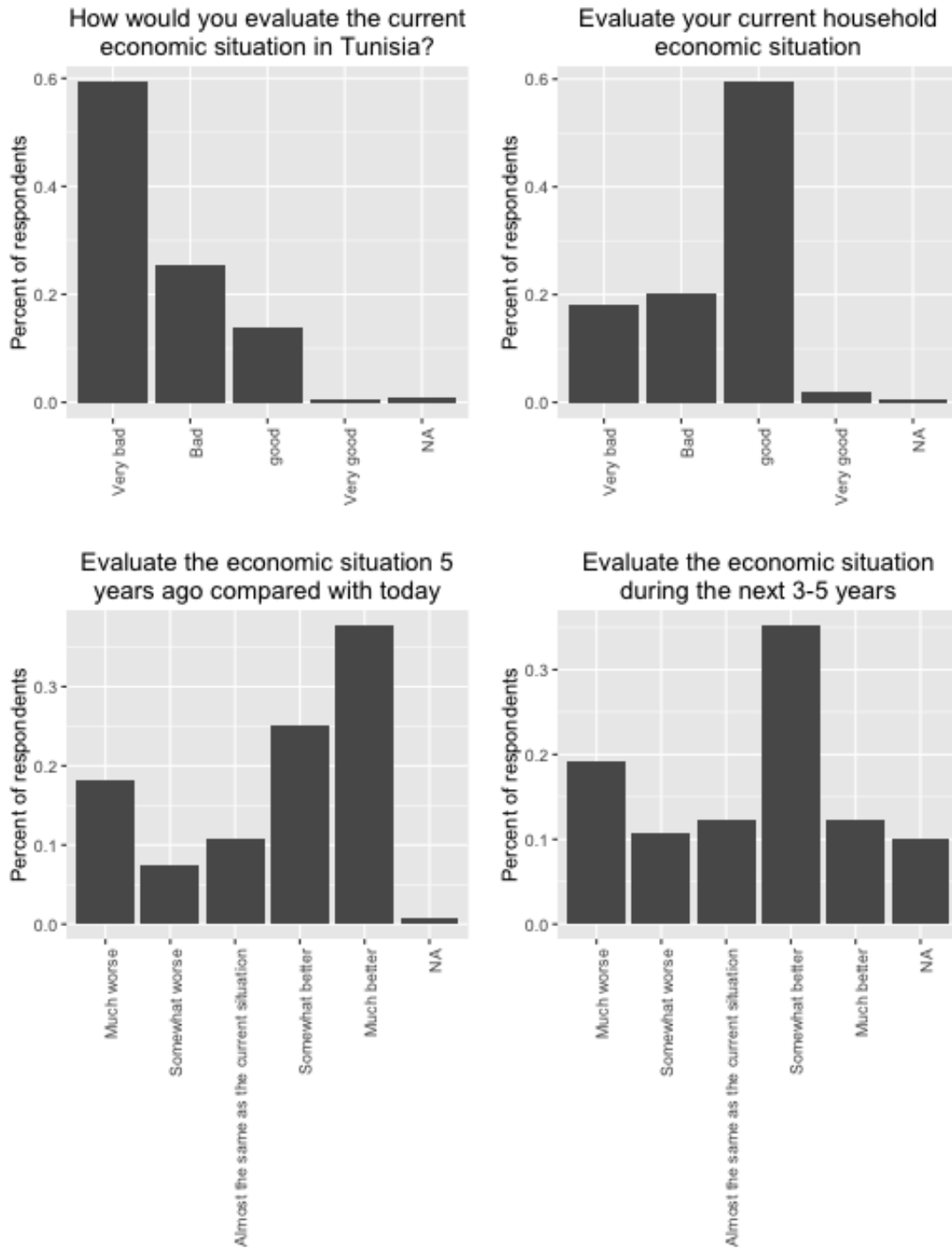
Journalistic accounts tend to draw a straight line between social marginalization and political violence; disillusioned and under-employed young men, as the story goes, find solace in extremism, grow a beard, and depart for Syria. Yet far more Tunisians communicate social discontent in expressly non-terroristic ways through voting in or boycotting elections, through trade unionism under the auspices of the UGTT and a slew of newer alternative syndicates, and through public demonstrations aimed at reminding elected leaders of their obligation to Tunisia's lower and middle classes. A nation-wide wave of demonstrations over unemployment in January 2016 – precipitated by the electrocution of a man protesting the removal of his name from public-sector recruitment lists – echoed in tone and intensity the beginnings of the 2011 uprising, and demonstrated the potential for social disaffection to derail Tunisia's still-fragile democratic transition.

This paper uses recent national survey data from the Arab Barometer to gauge how ordinary Tunisians view their country's economic trajectory. Unsurprisingly, Tunisians perceive themselves to be in the middle of an economic “slump,” though most expect the situation to improve in the next 3-5 years. Younger cohorts and highly educated Tunisians are most negative in their evaluations about Tunisia's current economy and the government's performance in economic management; these groups have also registered some of the steepest declines in terms of economic confidence since 2011. Finally, respondents diverge somewhat in their assignation of blame over the current state of the economy; highly educated Tunisians are less likely to view economic weakness as an inherent feature of democracy, and are more likely to view these problems as a result of mismanagement on the part of the current government.

2 Tunisia's Economic Trajectory: Evaluating Past, Present, and Future

Tunisians by and large remain unhappy with current economic and social conditions in their country. Sixty percent of Tunisians evaluate the current economic situation as “very bad,” with a further 25 percent choosing “bad.” Citizens likewise perceive a downward economic trajectory in recent years; a plurality of citizens says that the economic situation of five years ago was “much better” than the current situation. Views are somewhat mixed over the country's economic future; a plurality of citizens expect the economic situation in the next 3-5 years to be “somewhat better” than it is today, but sizable minorities hold that the

economy will be either “much worse,” “somewhat worse,” or “much better.”

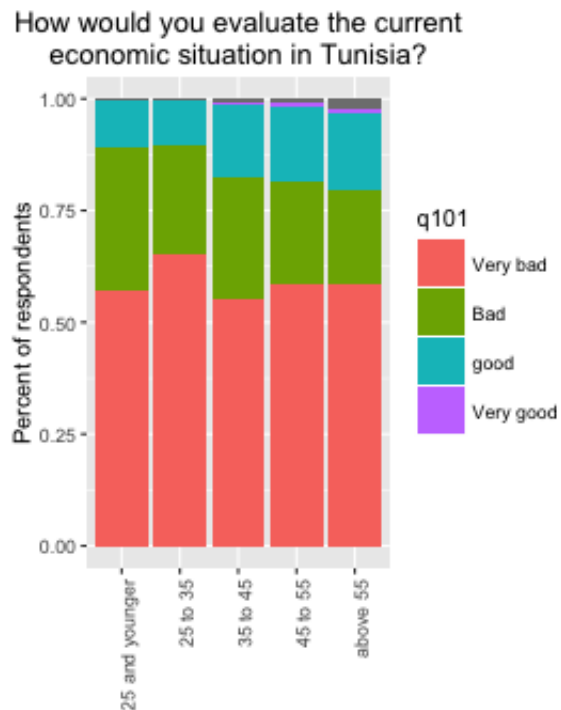
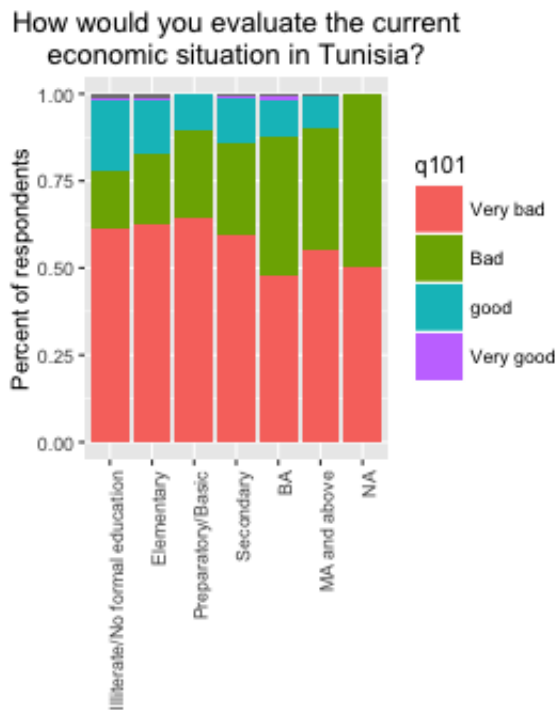


Tunisians by and large feel somewhat more positive about their personal economic

situation than they feel about the country at large; some 60 percent rate their current household economic situation as “good,” although roughly 40 percent rate their current situation as either “bad” or “very bad.”

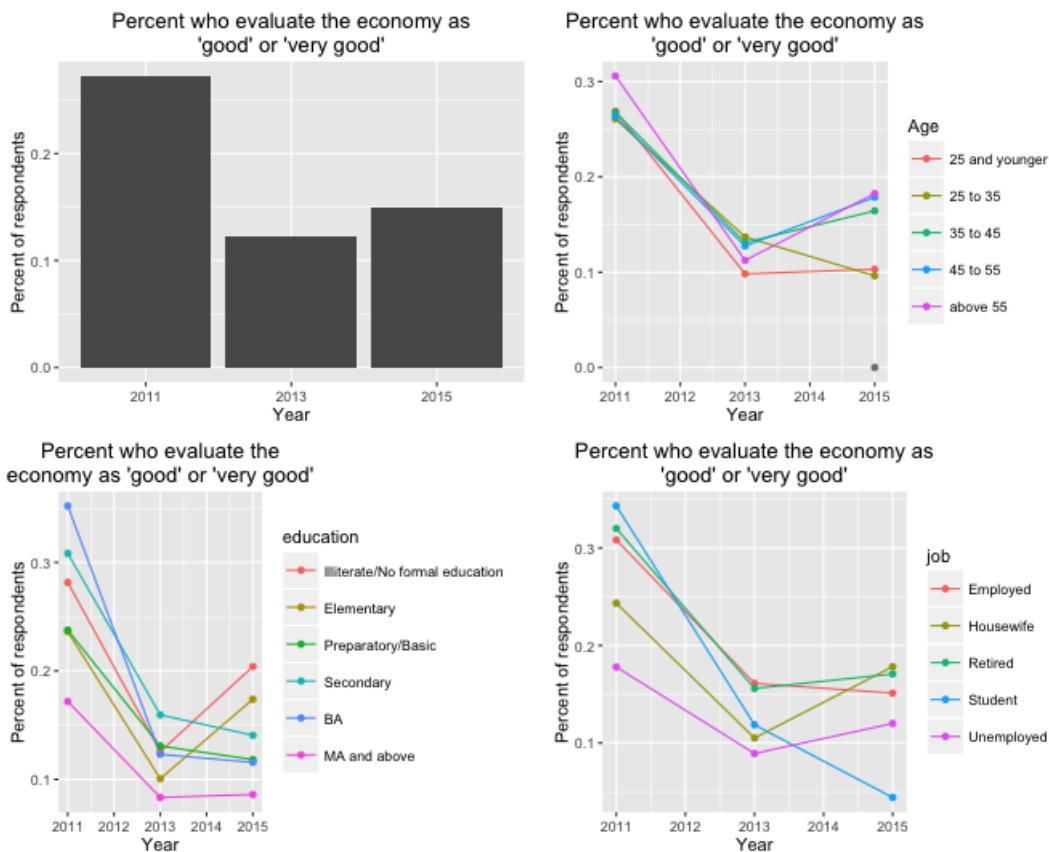
In 2016, evaluations of Tunisia’s current economic situation vary most according to age and education. Higher educated Tunisians (those holding a BA or higher) hold more negative views about the current economy, as do younger citizens (particularly those under the age of 35).

These groups have also experienced the most significant declines in terms of overall economic evaluation since the onset of the democratic transition. The broad trend – measured by three successive waves of the Arab Barometer – shows the percentage of respondents evaluating the current economic situation as “good” or “very good” falling by more than half between 2011 and 2013, followed by a slight uptick (to roughly 15 percent) in 2016. All demographic groups registered this steep decline in economic evaluation between 2011 and 2013. The upward trend between 2013 and 2016, however, is driven primarily by lower educated Tunisians and Tunisians over the age of 35. Tunisians in the bottom two age groups and Tunisians whose education level exceeds primary school have been slower to adjust their economic evaluations back towards 2011 levels, and remain the most dissatisfied.



From being the most economically optimistic group in 2011 (with nearly 35 percent evaluating the economy as “good” or “very good”), students are currently the most pessimistic job status group, with fewer than 5 percent. Housewives and retirees (those respondents who are arguably farthest removed from economic decision-making, particular in regards to the job market) are most optimistic, followed closely by employed respondents, followed again by the unemployed.

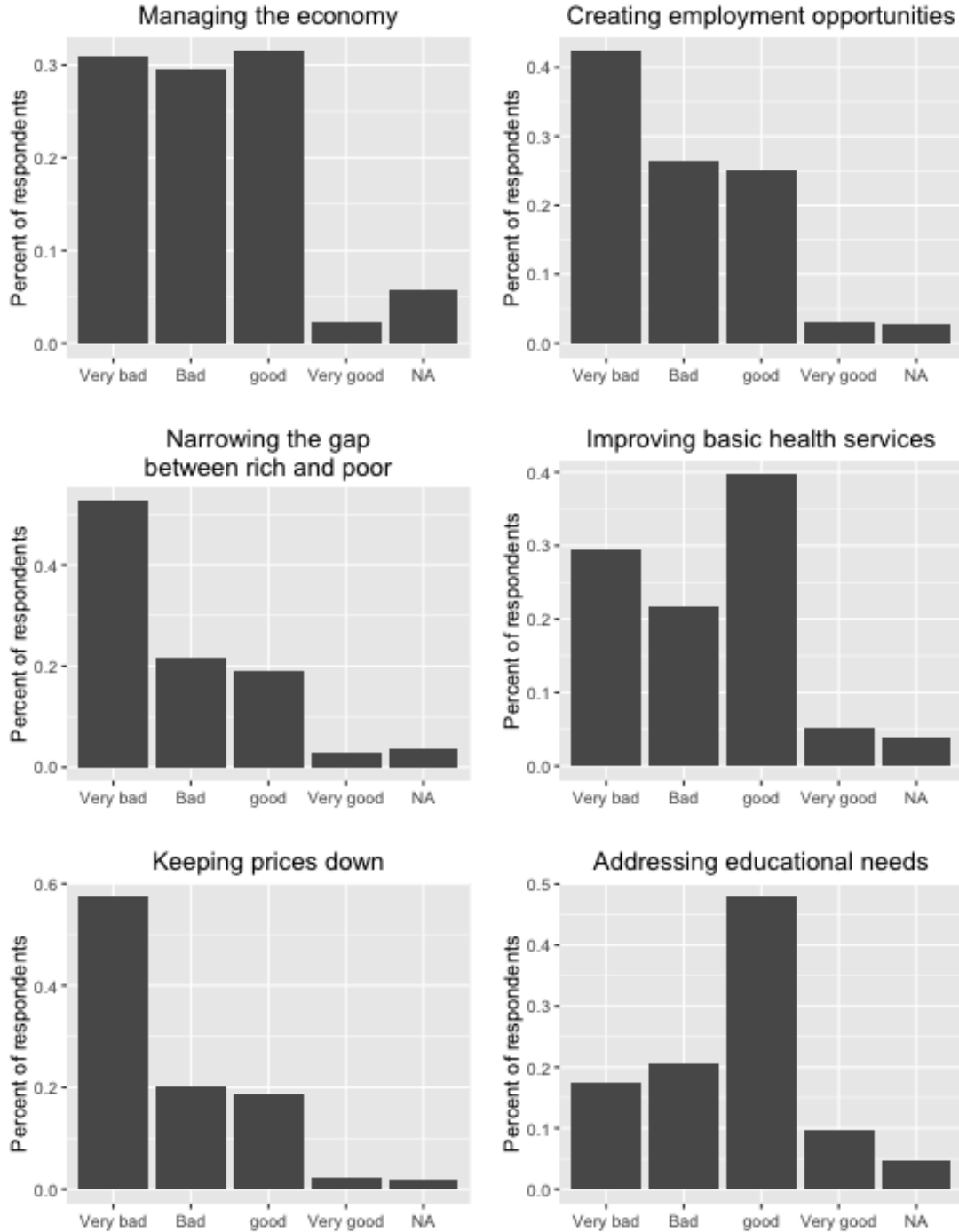
These trends all point to the fact that young, highly education Tunisians – and in particular, current students – are among the most dissatisfied with the state of the “economic transition.” Having reported highly positive evaluations following the initial events of 2011, this group likely feels the weight of frustrated expectations for rapid economic and social progress in the wake of democratization. With a high propensity to protest (and also a tendency to boycott electoral contests when they find candidates unsatisfactory), this is a politically important cohort. As noted in the introduction, educated yet economically frustrated youths initiated a wave of demonstrations concerning joblessness in January of this year. More protests are likely to follow should their evaluations continue to decline.



3 Does the state measure up? Popular evaluations of economic management

That Tunisians in general are unhappy with the economic status quo – and that younger, more educated Tunisians should prove more pessimistic about their country’s economic future – is not surprising. Yet a better measure of how economic grievances might influence the democratic transition may be investigating the extent to which Tunisians blame their current government for the economic problems at hand. Do Tunisians sympathize with their government’s Sisyphean task of re-orienting the country’s economy, or are they angry that transitional leaders haven’t acted faster to create jobs, reduce inequality, and improve social services?

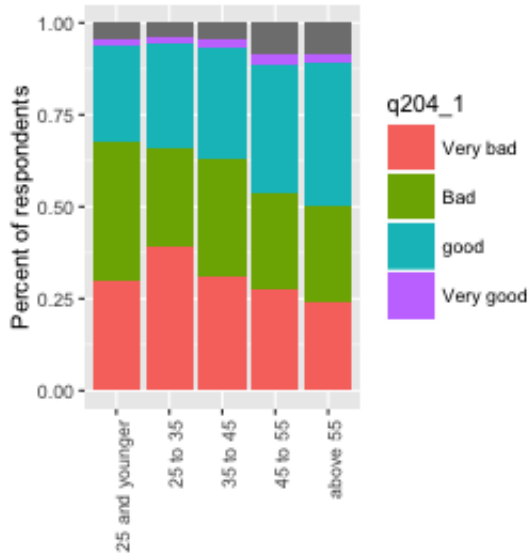
In a series of questions, Arab Barometer respondents were asked to rate their government’s performance in a number of social and economic tasks. Tunisians were split over their evaluation of the government’s overall management of the economy – while very few respondents rated this performance as “very good,” roughly equal groups of the sample (about 30 percent each) selected “good,” “bad,” and “very bad.” Citizens were more positive in their evaluations of social service provision, namely the quality of education and basic health services; a plurality in both cases rated these services as “good.” Tunisians were less impressed, however, by their state’s performance in areas pertaining to employment and distribution; overwhelming majorities rated the government as “very bad” in areas of keeping prices down and narrowing the gap between rich and poor, while a sizable plurality chose “very bad” for the state’s performance in job creation.



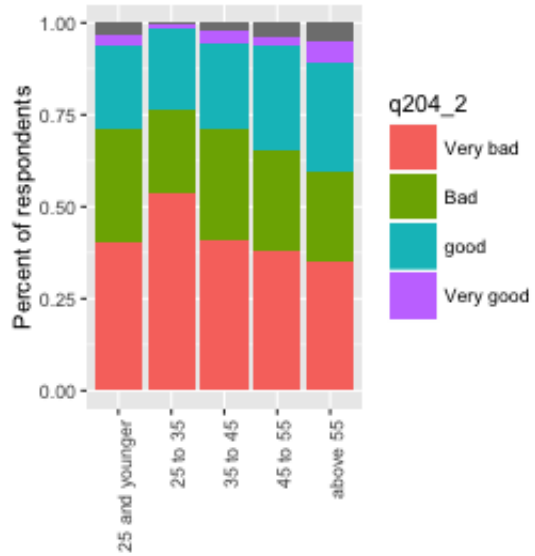
Which demographic groups are most critical of the government’s economic performance? Again, older Tunisians are more positive concerning the government’s performance in both economic management and job creation. When broken down by job status, students

are the most negative group in terms of government evaluation, whereas currently employed Tunisians are, unsurprisingly, most positive. Finally, we see significant divergence in these evaluations accordingly to educational background, with a slight majority of low-educated Tunisians rating the government's economic management as either "good" or "very good", as compared with 25 percent of highly educated Tunisians. Similar trends apply to the question concerning job creation, where Tunisians holding BA and MA degrees are overwhelmingly negative. These last metrics likely reflect the paucity of job creation in high-skill enterprises, and in professional bureaucratic positions, where many highly educated Tunisians hope to find work.

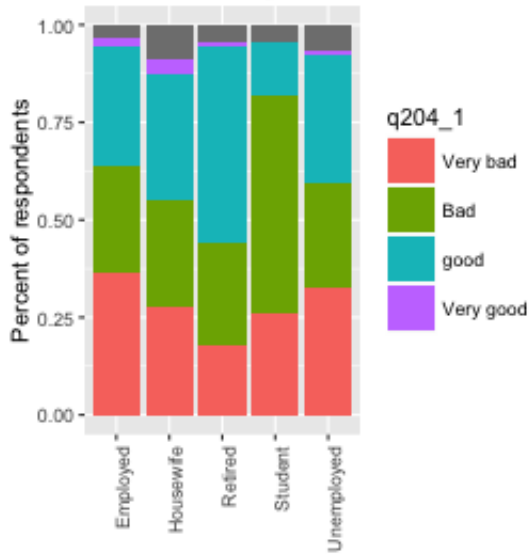
Govt performance: managing the economy



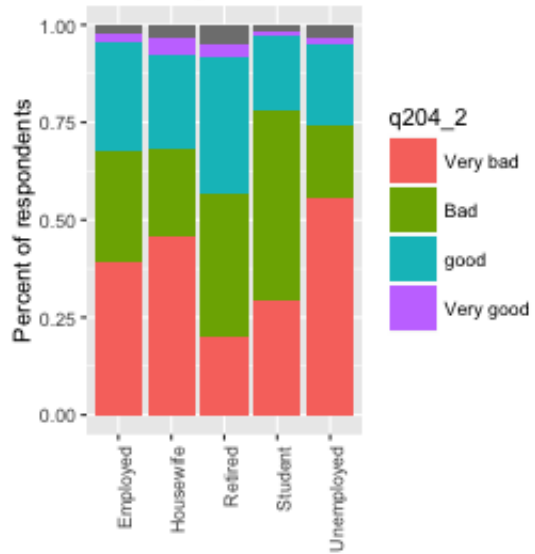
Govt performance: creating jobs



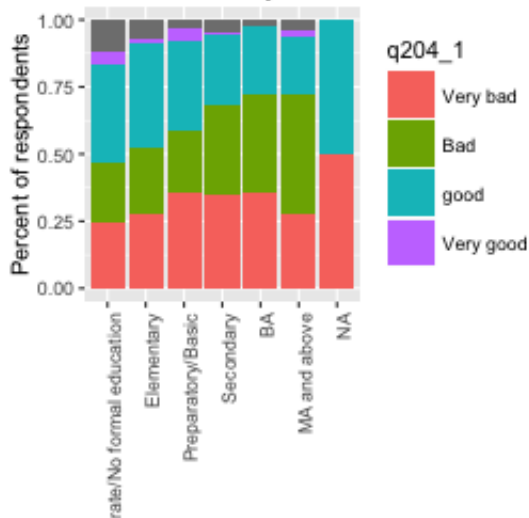
Govt performance: managing the economy



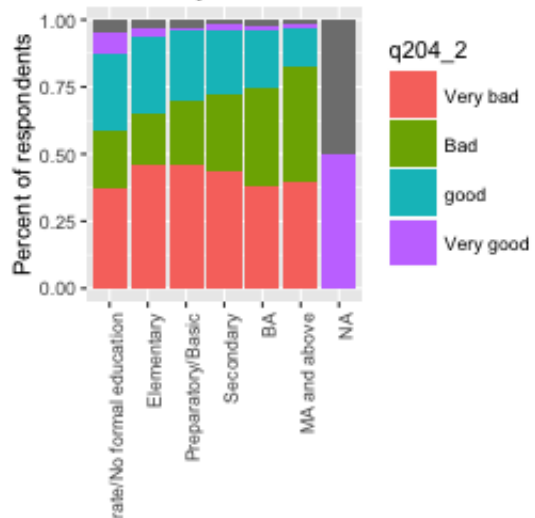
Govt performance: creating jobs



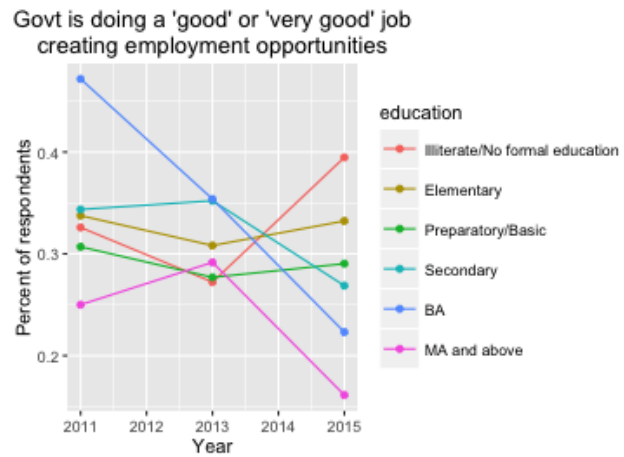
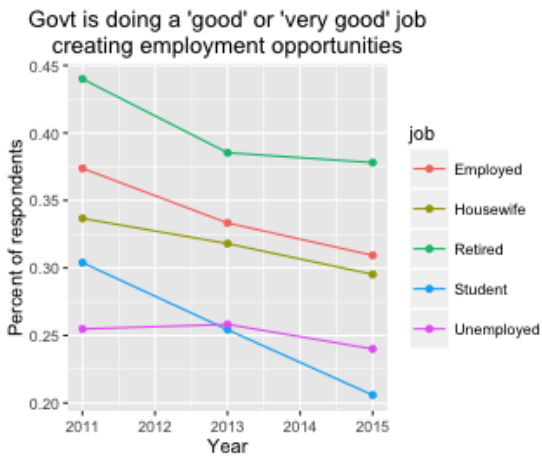
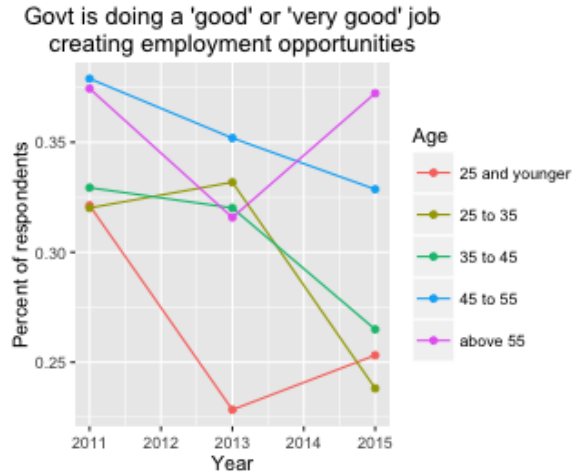
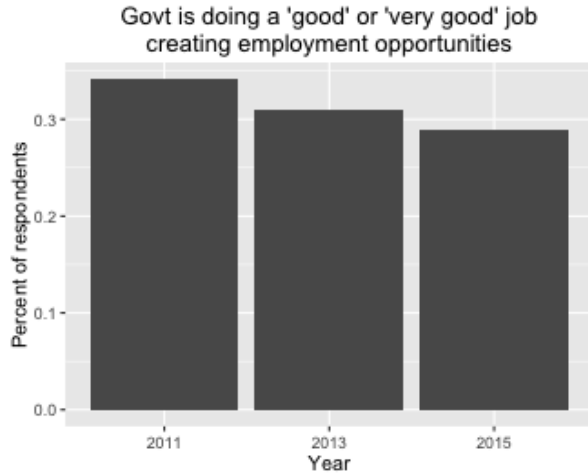
Govt performance: managing the economy



Govt performance: creating jobs



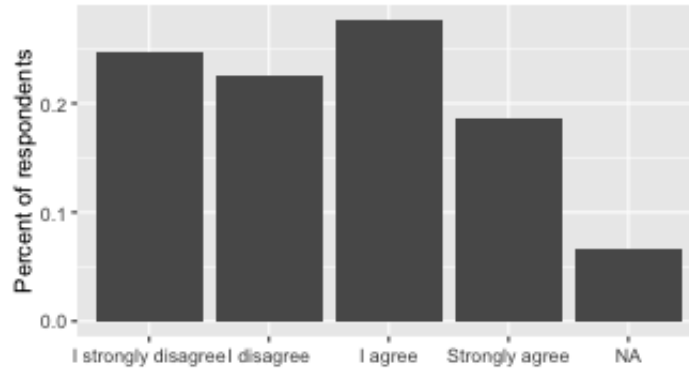
Employment was perhaps the most significant demand of revolutionary protesters during the 2011 uprising, and has remained a tenuous and politically important topic throughout the revolutionary period. Since 2011, the percentage of all Arab Barometer respondents reporting a “good” or “very good” performance of the government in terms of creating jobs has fallen slowly but steadily. Demographic breakdowns, however, show a more complicated story. Again, favorable evaluations of Tunisians holding BA and MA degrees have fallen the fastest, whereas the evaluations of lower educated Tunisians have remained somewhat constant. Students and the unemployed – the latter category posing no surprise – maintain the least favorable evaluations of government performance throughout this time period. Finally, the favorable evaluations of the youngest cohort (respondents 25 and under) dropped most precipitously from 2011 - 2013, recovering somewhat by 2016, while those of the next oldest cohort (respondents 25 to 35) stayed constant between 2011 and 2013, dropping drastically before 2016. At least some part of these trends likely reflects many individuals “aging out” of their 2011 cohort by 2013 and 2016; the precipitous dropoff in favorable ratings among the second-youngest cohort in 2016, for example, likely reflects the entry into that cohort of many Tunisians who were younger than 25 during the previous two waves, and during the revolutionary events.



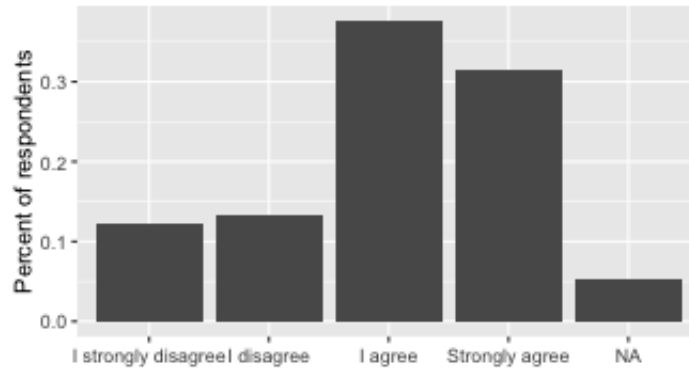
4 Throwing shade on democracy: Views on the economic benefits (and pitfalls) of transition

Many Tunisians hold their current leaders accountable for economic hardship, but do they perceive that economic instability is inherent to a democratic system? Tunisians are broadly split over the statement “under democracy, economic performance is weak” – although they by and large agree that “democratic systems are indecisive and full of problems.”

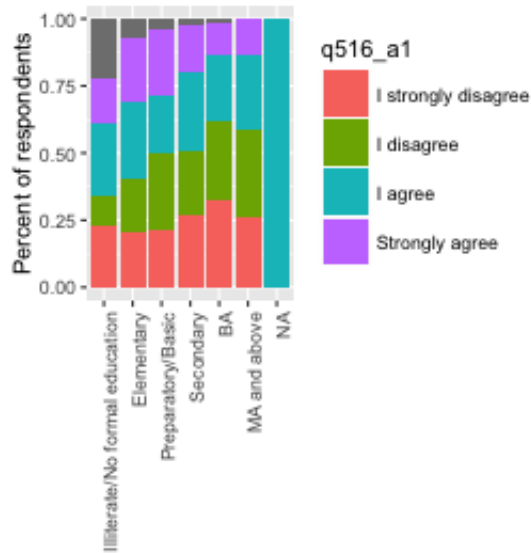
Under democracy
economic performance is weak



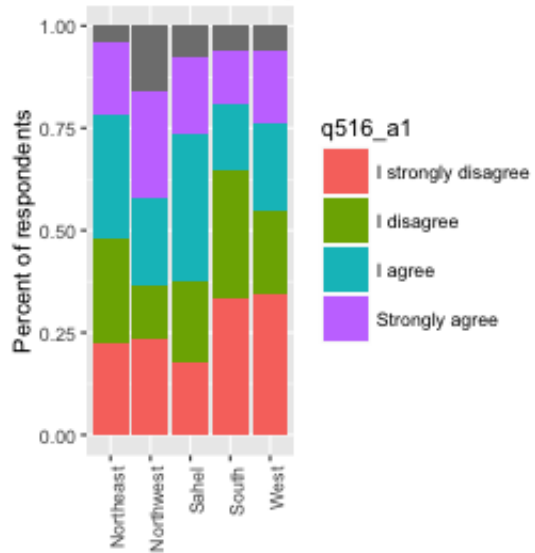
Democratic systems are indecisive
and full of problems



The economy is weak
under democracy

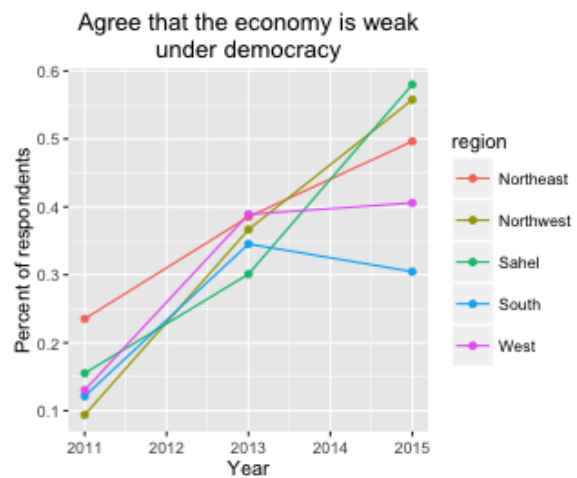
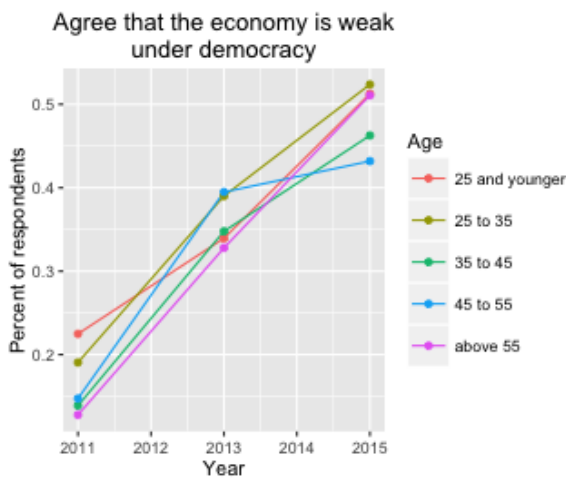
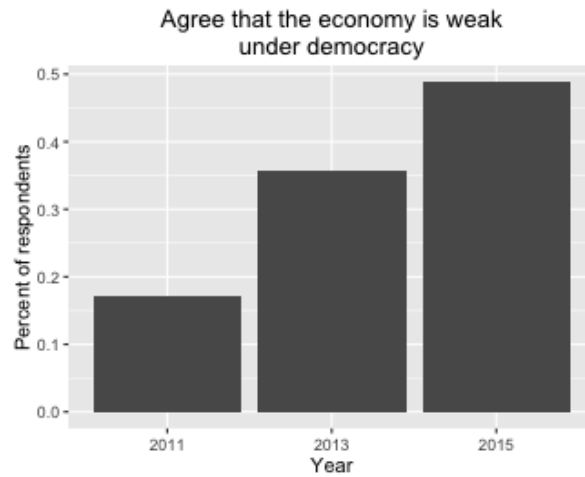


The economy is weak
under democracy



In a regional breakdown, we find that citizens of the Sahel and the Northwest – two regional strongholds for Nidaa Tounes, the party most associated with the “old regime” of Ben Ali – are most likely to agree with the statement that economic performance is weak under democracy. The Sahel is particular is a region that benefited strongly from developmental policies under Ben Ali, which concentrated resources in manufacturing and export zones along the coast.

Views associating democracy and economic stagnation are also highly correlated to education, where less-educated respondents are must more likely to “agree” or “strongly agree” with this statement than respondents holding higher degrees. Recalling trends described in the previous section, we may venture that highly educated Tunisian are less likely to view economic decline as an inherent feature of democracy, and are more likely to view these problems as a result of mismanagement on the part of the current government.



Overall, agreement with the statement that the economy is weak under democracy has grown steadily since the revolution, from less than 20 percent to nearly 50 percent overall. And whereas Tunisians across regions and demographic groups in 2011 were more united on this measure, the experiences of the past four years have generated greater divergence between Tunisians in terms of the perceived economic consequences of democracy. Whereas all education groups have registered an increase in this measure, this perception has grown most among less educated groups, signaling an increasing loss of trust in the capacity of democratic institutions to deliver on social promises. Residents of Tunisia's relatively privileged Northern and coastal (Sahel) region have also rapidly increased in their skepticism about the economic strength of democracy, whereas residents of the marginalized South and West regions have moderated in these views since the 2013 Arab Barometer survey.

Overall, however, these results remain worrying. Whereas Tunisians surveyed in 2016 were overall more optimistic about the economy than they were in 2013, Tunisians – and in particular, less educated groups – are increasingly likely to believe that economic weakness is an inherent feature of a democratic system. These views may remain sticky even in the face of modest economic recovery, as the social problems experienced by poor and lower-educated Tunisians – such as underemployment and poor social services – have persisted, and are likely to remain, for the foreseeable future.