

Arab Spring faces cold, hard reality in Tunisia -- where it all began
By Jamie Dettmer, FoxNews.com
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In Tunisia, where the Arab Spring began after a vendor set himself on fire to protest the government two years ago, the populace is growing disenchanted with the transition to democracy and an economy left in ruins by the regime change.

Social disruption, dramatic declines in mining and tourism and the Feb. 6 assassination of popular leftist leader Chokri Belaid, who was gunned down outside his home in the capital apparently by hard-line Islamists, known as Salafists, have all contributed to a darkened atmosphere inside the birthplace of the Arab Spring. There's a sullen resentment at the failure of the Islamist government -- it is ruling with two secular center-left parties -- to move the economy on.

This week, the former governor of the Central Bank of Tunisia put the price tag of kicking out autocrat Zine El Abidine Ben Ali at 14 percent of Tunisia's gross domestic product.

"This cost is extremely high compared to what was expected," Mustapha Kamel Nabli told a conference in Tunis.

Belaid's murder triggered violent protests, forcing the ruling Islamist party, Ennahda, to re-tool the coalition cabinet and replace the prime minister. On the street, the economic desperation and high unemployment -- key causes for the uprising that toppled Ben Ali, the first of the Arab Spring dictators to go -- has not changed. In fact, earlier this month there was a disturbing echo of how the uprising against Ben Ali began two years ago -- with the self-immolation of a street-hawker protesting police harassment and social inequality.

Adel Khazri, 27, was the breadwinner for his family and sold contraband cigarettes in Tunis, his mother, Latifa, explained at her son's funeral last week. "The police always kicked him out, moved him on. Not just once or twice, but the whole time. He had enough -- that was the reason. He was the one who supported us. Who else would have?"

His cousin, Ahmed, says people are desperate for work and that nothing much has changed when it comes to economic opportunity since the ousting of Ben Ali. "How do people pay their bills? Should people steal? Kids study and study and they graduate to become unemployed while the politicians are fighting over positions and power."

Khazri's death resembled eerily the self-immolation of Mohamed Bouazizi, who set himself on fire in December 2010 in protest at the confiscation by police of his goods. His act was a catalyst for the Jasmine Revolution.

The country's new Prime Minister, Ali Larayedh, was sworn in on the day of Adel Khazri's funeral and has promised to create conditions for a revival of the economy. He has a huge challenge on his hands. Unemployment is now running at 17 percent, but in the country's interior and among young graduates it is more than 30 percent and frustration is building. Khazri came to Tunis from Jendouba, a struggling region in the northwest where many resort to selling oil smuggled from neighboring Algeria.

"I have a degree and speak three languages, but the only job I can get is as a hotel maid," complains 23-year-old Mariam, who works at a downtown hotel in the capital.

The political turmoil in the country following Belaid's killing has added to a high-risk image of the country when it comes to foreign investors. The country's sovereign risk rating was downgraded by Standard and Poor's rating agency on February 19 to junk-grade status, limiting Tunisia's

ability to access capital markets and deterring inward foreign investment. The country is asking the International Monetary Fund for a loan of almost \$2 billion.

Violent protests on the streets and international media attention on Salafists also has had a serious impact on the tourism industry. Tourism accounts for a sixth of all jobs in the country, but hotels in the beach resort areas are currently only 10 percent full at a time they normally enjoy 40 percent occupancy.

There has been "an unprecedented level of booking cancellations," economist Radhi Meddeb told news outlet Tunisia Live.

Prime Minister Larayedh has pledged to end political turmoil by adopting quickly a new constitution and cracking down on Salafist violence. But debate over a new governing charter for Tunisia risks enflaming disputes between secularists and hard-line Islamists and it isn't clear that Larayedh has the stomach for a confrontation with Salafists.

Secularist politicians and activists argue that as interior minister, before he took the top job, he failed to suppress Salafi gangs – they describe themselves as Leagues for the Protection of the Revolution -- who have been highly active intimidating opponents.

Some secular politicians claim that Ennahda is in league with the Salafists, and leftists insist that the Islamist ruling party is ultimately responsible for fomenting violence.

Says leftist politician Adman Besheer: "The government is responsible for the violence that is spreading all over the country and, from this point, the government is politically responsible, letting preachers in mosques and in certain religious parts preach violence."

On Tuesday, German Foreign Minister Guido Westerwelle warned while on a visit to Tunisia that the new government had to work harder to stabilize the country politically.

"People in Tunisia want jobs and that requires investment. Investment from Germany and Europe depends largely on work toward democratic stability and reconciliation, and on a timely implementation of the constitutional process and elections," he said.

"Violence, extremists and fanatics must not form the image of Tunisia, but rather respect, democracy, the rule of law and tolerance -- and we want to help," Westerwelle told reporters.

But much street protest has little to do with the political division between secularists and Islamists. Strikes and labor disputes over pay and conditions have had a major impact on the mining industry. Last year, the output from the country's phosphate mines fell by 60 percent due to strikes. Tunisia was once the world's fifth largest exporter of phosphate.

Rising inflation has added to the anger of workers and the unemployed. Higher salaries in both the public and private sectors have caused a rise in the prices of goods and services.

And the government appears to be without a sustainable strategy for job creation. The only answer so far has been to put more people on the public sector payroll, adding to the country's budget deficit of 6.6 percent of GDP.

In order to help repair the shaky public finances, the government earlier this month raised fuel prices for the second time in six months, adding to inflation. And it means to press ahead with cuts to expensive public subsidies that are straining the budget. But that move risks triggering more protests and strikes.