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Arab Spring but poor harvests: why rural Tunisia matters for the success of the revolution

By Annabelle Houdret,
*German Development Institute /
Deutsches Institut für Entwicklungspolitik (DIE) &
Mohamed Elloumi,
Institut National de la Recherche Agronomique de
Tunisie (INRAT)*

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Bonn, 22 July 2013. Tunisia's Minister of Agriculture has announced that this year's grain harvest has dropped by 30 percent compared with last season, mainly due to a lack of rainfall. In a country where increasing living expenses were one of the triggers of the 2011 revolution, this news is particularly alarming – both in terms of economic implications and with respect to possible socio-political impacts. Depending on the year, Tunisia already imports 30 to 50 percent of its cereals from volatile world markets. Import costs will probably increase once again. All this is taking place during a controversial debate about rising foreign debts. Similarly to other Arab states, Tunisia has substantially increased its subsidies for cereals and other commodities since recent political unrest in the region. Nevertheless, the economic and political situation is still fragile.

More than two years after the revolution, life in the cradle of the revolt, the city Sidi Bouzid, has not fundamentally improved since the desperate self-immolation of its now famous vegetable seller Bouazizi. From here, the revolution spread to predominantly agrarian western Tunisia where "jobs and dignity" were the key slogans of the protest movements before the upheaval moved to the coastal and urban regions. The impoverishment of rural populations and their growing discontent about the regime's inability to satisfy their basic needs have been key factors in the uprisings – and they are therefore of fundamental importance for the country's political stabilisation.

Life in Sidi Bouzid is in many ways characteristic for the difficulties of rural Tunisia. The small city is lacking basic urban infrastructure and its transport networks prioritise connections to the capital instead of supporting regional connections and markets. Unemployment remains high (over 29 percent in 2012 versus 17.6 percent at national level). Over one third of the population lives below the national poverty line – more than the double of the national average. 40 percent of the region's inhabitants work in the agricultural sector (less

than 20 percent at national level), but the wages are highly unstable and barely enough to secure a basic livelihood. The deterioration of water and land resources further marginalises small-scale farmers which also bear the costs of agricultural policies under the Ben Ali regime. These policies were focused on meeting the needs of consumers instead of supporting the capacities of the producers who are now unable to cope with economic liberalisation of the sector.

Having faced a severe economic crisis since the revolution, the Tunisian government recently decided to accept new foreign loans for stabilising its economy. But it remains open if these foreign loans are spent to support the country's development by restructuring the economy and setting the framework for political freedom and social cohesion or whether they are only spent for current consumption.

After an already disputed loan agreement signed with the World Bank to finance a reform of the public administration, the last treaty with the International Monetary Fund (IMF) of 1.75 million US-dollars signed in June 2013 is particularly controversial. A closer look at the accord confirms that the conditions tied to it may be similar to the structural adjustment programs of the 1980s/1990s. These conditionalities may further degrade Tunisians' living conditions and reinforce those problems which have led to the 2011 revolts. In order to secure the payment of the precautionary loan, Tunisia accepted the restructuring of the banking sector, to cut subsidies, and to reform and possibly privatise public services such as the national water distribution utility SONEDE and the public electricity and gas company STEG. While these measures may reduce state expenditures, they will definitively have impact on the local economy including agriculture. So far, the sector benefits from subsidies for irrigation water, fuel, and fixed prices for cereals and milk – but it is uncertain how these will be affected by the proposed reforms. In the already precarious economic situa-

tion, prices for transport, water, gas and electricity (and thereby for many consumables) will increase. Together with the increasing inflation rate, growing prices will have highly negative effects on purchasing power and living conditions of the average Tunisian, let alone the poor population groups.

Hence, the effects of the reforms risk reinforcing the problems that contributed to undermine the previous regime's legitimacy: regional disparities, high unemployment and elevated poverty rates especially in rural areas, growing inequality and an overall awareness that the state neglects its responsibilities towards its citizens.

It is yet unclear if and how these measures are to be accompanied by policies alleviating probable negative socio-economic impacts. Is there a realistic possibility of taking a timely and effective reallocation of the financial savings from subsidies to the needy population? Given the persisting structural problems of the Tunisian political and economic system including corruption, centralisation, insufficient cross-sectoral cooperation and the questionable orientation of agricultural and development policies, it will be difficult. Decisions to cut subsidies and still promote development should take into account the needs of the marginalised and vulnerable population groups. This includes not only to clearly identify the target groups and their needs, but also a timely imple-

mentation of compensation measures. In order to secure the full potential of such measures, when the described effects possibly occur, they need to be implemented much earlier than the structural adjustment policies. Moreover, the effectiveness of such measures is intimately linked to the performance of the political actors and institutions in charge of their application. In the current situation of Tunisia, the chances that the latter are able to overcome current problems of corruption, political turf wars and increased financial and political transaction costs of policy measures remain unlikely. The sequencing of reforms and accompanying measures and great political sensitivity are therefore crucial to ensure that the new Tunisian government is able to deliver social equality and create the basis for a new social contract. Otherwise, bad harvests, high prices and structural adjustment programmes threaten to flare up the protests in Sidi Bouzid and in the rest of Tunisia once again.

Dr. Annabelle Houdret, Senior Researcher at the Department "Environmental Policy and Management of Natural Resources", German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE);

Mohamed Elloumi, *Senior Researcher* at the *Institut National de la Recherche Agronomique de Tunisie (INRAT)*, Tunis.