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SEVEN YEARS AFTER THE ARAB SPRING, TUNISIA FACES AN UNCERTAIN FUTURE

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If Tunisia's elite continues to fiddle while Carthage burns, the only fledging democracy in the Arab world risks self destructing or reverting to some form of authoritarian rule. It is seven years since the fall of the dictator Ben Ali. His fall decapitated the predatory ruling family and legalised political parties, not least the Islamist Nahda. And it sparked revolts across the Arab world. However Tunisia faces a real revolution unless its leaders articulate and enact bold economic reforms which offer desperately needed hope to the country's mass of unemployed and ill-educated young people.

The freedom of speech that followed the end of the old authoritarian regime has today to often morphed into freedom to blackmail and insult. Torture in the hands of the police is a thing of the past. Free and fair elections gave Nahda and its charismatic leader, Rachid Ghannouchi, a parliamentary majority in October 2011, which they lost three years later, a rare example of an Islamist party losing at the polls. Instead of reforming the economy, Nahda tried to undue the *Code du Statut Personnel* enacted in 1956 by the founder of modern Tunisia, Habib Bourguiba. This granted women equal rights except where inheritance is concerned. They added 140,000 employees to an already bloated civil service and state companies - mostly supporters of theirs and often not competent for the jobs they were appointed to. They turned a blind eye to some of their very hard line supporters who became jihadi terrorists, training in camps set up in neighbouring lawless Libya. The result was to demoralize a previously reasonably competent civil service. The terrorist attacks on the National Bardo Museum in Tunis and the resort of Sousse three years ago devastated the key tourist sector. Potential foreign investors shied away from investing in Tunisia's thriving industrial offshore sector.

Just over three years ago, presidential elections brought to power the 91 year old Beji Caid Essebsi, a former minister of Bourguiba who was not tainted by any close connection with Ben Ali's rule (1987-2011). He had founded, in 2012 a loose coalition of lay parties, Nida Tunes, to fight the ideas of Nahda. It won a plurality of seats in the new parliament but Si Beji's decision to form an alliance with Nahda led to a split in his party which has been haemorrhaging deputies ever since. More importantly the president has been unwilling to grant

his two successive prime ministers, Habib Essid and Youssef Chaheed the full powers which the new constitution agreed in 2014 grants them. The alliance between Nida Tunes and Nahda has disconcerted supporters of both parties and resulted in a form of game of mirrors between the two leaders which has disgusted most Tunisians, rich and poor alike.

Economic growth has been lacklustre and the country's external accounts have deteriorated badly. Despite agreement with the IMF which lent Tunisia \$2.9bn in May 2016, the foreign debt has increased from less than 40% of GDP in 2010 to almost 80% last year and the current account deficit doubled. Public debt is equivalent to 70% of GDP as against 40% in 2010. The Tunisia Dinar has lost 20% of its value against the Euro last year and inflation is running at 6.3% annually. Worse, the informal sector of the economy has mushroomed and now accounts for roughly half of GDP with all the distortions that entails. The state is losing precious income from tax and foreign goods brought in through Libya are forcing the closing of Tunisian factories. State salaries eat up roughly 40% of the budget or 15% of GDP while the investment budget, a key to growth, is a paltry 20%. There is no political will to reform a grossly unfair fiscal system which encourages the professional classes to avoid tax.

Mafiosi type businessmen are increasingly using the money they make trafficking with Libya notably, to finance political parties. As the authority of the state has collapsed, illegal buildings are destroying the countryside; petty corruption had spread like a cancer. Young people despair and those young entrepreneurs who want to set up a business find indifferent and arrogant civil servants, a paper chase of administrative regulation and no credit lines from the banks. Seven governments in so many years and the two last prime ministers have proved incapable of drawing up a plan of bold economic reform. The UGTT union, the second oldest in Africa has played an important role in Tunisian politics since it was founded in 1946. Today, its leader, Nouredine Taboubi fancies himself as the real king maker and recently warned the minister of finance against privatising state companies. Democratic politics have evolved into widespread corruption, petty infighting and demagoguery. When electors go to the polls in next spring's municipal elections, they will be unforgiving towards the president. A majority of young Tunisians will probably abstain.

Were their leaders to ask for blood sweat and tears and offer large scale public infrastructure work and an ambitious policy of vocational training, they could probably win back the heart and support of many Tunisians. The price increases the prime minister announced on New Year's day were so ineptly presented that they were bound to cause a violent reaction. Among the protestors, saboteurs are certainly at work, money is being handed out by Mafiosi to encourage kids to burn and loot public buildings. But those who are putting the future of Tunisia's young democratic experience at risk are not to be found in the streets of the poor hinterland towns of Kasserine or Sidi Bouzid. They live in the comfortable residential suburbs of Tunis, notably Carthage. If they do not stop fiddling, a far more violent repeat of 2011 is on the cards. The president has played a very useful role in the transition after 2011 but he must grant his prime minister, whoever he may be, the powers the 2014 constitution gives him and stop pretending he is Bourguiba reincarnate. Rachid Ghannouchi's party no doubts hopes to sweep the stakes in next spring's elections but he knows that Saudi Arabia and the United Arab Emirates are pressing Mr Essebsi to throw Nahda to the wolves.

The West cannot be indifferent to the fate of Tunisia – it was the French led and NATO supported intervention in Libya in 2011 which destroyed the regime of Muammar Gaddafi but no one in Paris, London or Washington gave a thought to what would happen if Libya disintegrated despite warnings from Algeria.

Tunisia is losing 2 percentage points of growth every year because of the turmoil in Libya according to a recent World Bank report. Were the country to collapse, the immigrant crisis the EU faces with Libya today would become completely unmanageable. Tunisia deserves strong economic support – at a price. A few billion dollars is a small price to pay to avoid the fires of Carthage from spreading.