




## World Bank Report: Breaking with the Past to Unleash Tunisias Economic Potential

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Removing the economic obstacles currently holding back the Tunisian economy would double employment creation to 100,000 new jobs per year. Tunisia has made significant political progress in the three years since the revolution, but without changes to its economic model the country could remain trapped in a cycle of low growth and high unemployment. A new report from the World Bank details how the economic legacy of the past stifles Tunisias immense potential and underscores the urgency of adopting a more inclusive growth model to guarantee the success of the transition. The Unfinished Revolution: Bringing Opportunity, Good Jobs and Greater Wealth To All Tunisians is the World Banks first comprehensive analysis of the Tunisian economy since the 2011 revolution, including new analysis on the countrys investment and competition policies, financial system, labor laws, and agricultural policy. The report concludes that reforms in these areas could increase growth and bring quality jobs to the country. "The good news is that Tunisias educated and youthful workforce offers the building blocks to move towards shared prosperity, said Inger Andersen, Vice President for the Middle East and North Africa. "The political changes of the past three years show that Tunisia is indeed capable of shifting away from an economy that is not inclusive and ushering in a new era. This report makes clear that breaking with the economic status quo is the only way to bring better jobs and more opportunities to Tunisia. World Bank economists Antonio Nucifora and Bob Rijkers, authors of the report, point to Tunisias investment policy as a prime example of a well-intentioned economic policy that has failed to deliver the intended results of bringing quality jobs and making Tunisia more globally competitive. Moreover, a large part of Tunisias economy remains largely closed to competition. While there is a belief that this protects Tunisian businesses, in fact this has mostly benefited a small group of people. As a result, in the past two decades Tunisias export sector has grown, but has not kept pace with other emerging market countries and has struggled to move beyond low value added production and low wage jobs. Today, Tunisias challenge is to attract more investment and create more and higher wage jobs for the educated young graduates who too often remain on the sidelines of the economy. "Tunisia has more to offer than low-wage and insecure jobs says Antonio Nucifora. "Our research shows that breaking down some of the barriers that restrict the entry of new firms and allowing greater competition could more than double employment creation by bringing over 100,000 additional jobs per year to the country and make Tunisia the Tiger of the Mediterranean. The report shows that removing restrictions to firms entry and simplifying regulations for businesses could increase investment and accelerate jobs creation by 50,000 jobs per year. Tunisian firms currently spend nearly 18 percent of annual sales on bureaucratic burdens and related petty corruption. Similarly, reforms to the banking sector could unleash up to US\$10 billion in additional credit to Tunisian businesses over ten years, resulting in up to 38,000 new jobs per year. Additional jobs would come from reforms in industrial policy, services and agriculture. "Tunisia is in the midst of a historic transition, but its economic model remains the same as was in place before the revolution added Bob Rijkers. "Above all, this report is a challenge to rethink Tunisia's economic development model and to question existing assumptions about what kinds of reforms can accelerate growth and shared prosperity, create quality jobs and promote regional development. The World Bank  
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