

ISSUES

- Tunisia's fragile political transition, now in its 10th year, remains on track, thanks in large part to agreement between secular and Islamist constituencies to respect each other's full participation in politics. Tunisia boasts one of the Arab and Muslim world's most progressive constitutions and a high degree of press freedom.
- Tunisia's successful COVID-19 response engendered national unity and featured swift lockdowns, aggressive testing, quarantines, contact tracing, and innovative PPE mass production. As of early September 2020, there were just under 4,000 cases and 80 deaths.
- However, due to COVID-19, the economy is in free fall. The former prime minister sounded the alarm in late June 2020, announcing that the economy will contract this year by at least 6-7%, debt is reaching a "terrifying level," and "the next battle is to save the state."
- A strongly anti-establishment vote in 2019 increased political fragmentation and polarization. The new populist president lacks both a party and political experience. National unity governments have been replaced by competing parliamentary blocs, aggravating legislative paralysis. Parliament is deeply divided, beset with partisan vitriol, boycotts, and investigations. At the beginning of September it voted to approve Tunisia's third government in less than a year.
- Tunisia is endeavoring to launch a \$2.1 billion rescue plan that mixes fiscal austerity with unblocking infrastructure projects and stimulating investment, but most socioeconomic grievances and inequities have been sidelined by elected officials since the 2011 revolution. Youth unemployment is climbing above 30% and among university graduates is surpassing 40%. Perceptions of corruption have increased. Tunisia is counting on bailouts, new investment, and increased Algerian, Russian, and European tourism to save the economy.
- Threats emanating from Libya — including Tunisian jihadists based there — have triggered a successful security response. But this has had negative effects for human rights and hampered security sector reform. Following ISIS defeats, foreign fighters have returned home to weak social reintegration.

US INTERESTS

- If Tunisia does not weather the current economic crisis, social and political tension could destabilize the country and end its democratic transition, with significant negative repercussions for the Mediterranean, Middle East, and Africa.

- The demonstration effect of a democratic, secure, and increasingly prosperous Tunisia had had enormously positive regional impact — including on Algeria and Sudan and to a lesser degree on Lebanon and Iraq — and can encourage Libya stabilization and future reform efforts in Egypt and among regional autocracies.
- The entire Muslim world is closely watching Tunisia and rising and falling U.S. support for the Arab world's only democracy. Amid successful Chinese "mask diplomacy," a failed transition in Tunisia will have negative reputational effects for the U.S., for democracy, and for an open democratic "mixed" economic model.
- Supporting Tunisia reduces foreign fighter and migrant flows and their destabilizing effects on Africa and Europe, including political fragmentation and the rise of right-wing supremacist nationalism and terrorism.
- Supporting Tunisia helps peacemaking in Libya; support for a negotiated solution in Libya will help Tunisia, one of America's oldest regional allies since 1797.

POLICY RECOMMENDATIONS

- Help Tunisia build on its successful COVID-19 response to provide relief and continue economic reform measures that share burdens between major political actors and constituencies.
- Increase economic, political, and security support for Tunisia, especially private sector job creation, democratic consolidation, security improvements, transitional justice, and reintegration of foreign fighters.
- Work to boost contributions to the Tunisian-American enterprise fund.
- Expand Libya-related engagements in Tunisia, including engagements with Libyan leaders and civilians living in or visiting Tunisia.