

TUNISIA

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ISSUES

- Tunisia's fragile political transition remains on track after 10 years, thanks in large part to agreement between prior regime, "secular," and Islamist constituencies to respect each other's participation in politics. Tunisia boasts one of the Arab and Muslim world's most progressive constitutions and a relatively high degree of press freedom, but suffers from considerable political and economic unrest.
- Tunisia successfully managed its response to the first wave of the COVID-19 pandemic with only 4,000 cases and 80 deaths by September 2020. It then eased up restrictions largely due to the severe economic downturn and was hit with an enormous second wave. As of March 2021, there were around 240,000 cases and over 8,200 deaths, double that of Algeria and with a death rate soon to pass that of Morocco, two countries with populations triple the size of Tunisia.
- Tunisia is set to receive 4 million vaccines through the COVAX program and the Geneva-based GAVI vaccine alliance and hopes to vaccinate 50% of its population by next summer. Tunisia received its first major vaccine delivery just as Morocco completed 4 million vaccinations. COVID fatigue and popular backlash against public health measures are increasingly merging with existing political and economic grievances into one simmering cauldron that can boil over at any time.
- Due to COVID-19, the economy is in free fall. It contracted by 8.2% in 2020 and the fiscal deficit reached an estimated 11.5% of GDP. The IMF forecasts the budget deficit could reach 9% of GDP in 2021 without reform, and Tunisia expects to borrow around \$7.2 billion this year, including \$5 billion in foreign loans. The economic slump and rising unemployment, which topped 16% in third-quarter 2020, have increased popular discontent with the government. The former prime minister announced in June 2020 that the next battle is to "save the state." Youth have taken to the streets in protest, resulting in increasingly severe government crackdowns.
- A strongly anti-establishment vote in 2019 increased political fragmentation and polarization. The 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 National unity governments have been replaced by competing parliamentary blocs, aggravating legislative paralysis.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, investigations, physical aggression, and even a recent case of breaking and entering. In September 2020 it voted to approve Tunisia's third government in less than a year. The latest political crisis had the president refusing to allow the swearing in of new ministers and forcing out five of them following the cabinet reshuffle approved by Parliament in late January.
- Nearly a dozen consecutive governments under seven prime ministers since the revolution have failed to revitalize the faltering economy or address rising unemployment and inflation. 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 European, Algerian, and Russian tourism to save the economy.
- Threats emanating from Libya — including Tunisian jihadists based there — have triggered a successful security response. Following ISIS's defeat, foreign fighters have returned home to weak social reintegration. The security sector has not been truly reformed since the 2011 revolution, however, and excessive use of force, arbitrary arrests, and harassment of journalists remain common.

US INTERESTS

- If Tunisia does not weather the current political and economic crises, social and political tension could destabilize the country and end its democratic transition, with significant negative repercussions for Europe, 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. 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.
 - Tunisia plays a critical support role in Libya peacemaking efforts, as well as in supporting hundreds of thousands of increasingly impoverished Libyan refugees. A negotiated solution in Libya will help Tunisia, one of America’s oldest regional allies since 1797.
- for human rights and press freedom; transitional justice, justice reform, and creation of the constitutional court; and reintegration of foreign fighters.
 - Expand Libya-related engagements in Tunisia, including engagements with Libyan leaders and civilians living in or visiting Tunisia.

POLICY RECOMMENDATIONS

- Help support Tunisia’s COVID-19 response and vaccination campaign to provide relief and continue economic reform measures that share burdens between major political actors and constituencies.
- The worsening economic situation has resulted in growing unrest and sustained international investment will be vital to increasing stability in the country, especially private sector job creation. Work to boost contributions to the Tunisian-American enterprise fund.
- Increase political and security support for Tunisia, especially democratic consolidation; security improvements; respect