

POLICY BRIEF

11 July 2016

Coping with the fragile consolidation of Tunisia's transition

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BACKGROUND

Tunisia is often presented in European policy circles as the only success story among the countries of the so-called 'Arab Spring'. As the Nobel Peace Prize of 2015 to the Tunisian National Dialogue Quartet has shown, the transition since 2011 has undeniably led to peaceful, plural and democratic elections and to an encouraging new era for the Tunisian people. However, the hard truth is that what came out of the last five years of change and struggle is extremely fragile. Not only have urgently needed reforms been delayed, but precarious socio-economic conditions and heightening security threats also undermine the stability of the country. The European Union (EU) and its member states should not underestimate these fragilities, and seek to enhance relations with Tunisia to genuinely make it a priority partner.

After the ousting of the former Tunisian President, Zine El Abidine Ben Ali, the country's first democratic elections in October 2011 brought about a National Constituent Assembly (NCA). This led the way to the adoption of a new constitution on 26 January 2014 and to parliamentary and presidential elections in the last months of the same year. The years of transition (2011-2014) have been plagued by tensions, mainly related to the polarisation that emerged between Islamist and secular parties, but the Tunisian political system is marked by pluralism and consensus-style approach to governance, strengthened by the support of a vigilant and strong civil society.

It now seems that Tunisia has entered a phase of consolidation by holding elections on the basis of the new constitution and the new electoral law. The President of the Republic and leader of the secularist party Nidaa Tounes, Beji Caid Essebsi, nominated Habib Essid as Prime Minister in 2015, who then formed a coalition government. During the electoral race and in the process of government formation, tensions between secularists and Islamists added to fears of a return to practices of the Ben Ali era – Nidaa Tounes is seen by many Tunisians as a form of "soft restoration" – and to controversies within the secular camp and the government coalition between the anti-Islamist hardliners and those who support the inclusion of moderate Islamist forces. Nevertheless, the Essid government is ultimately the result of the umpteenth compromise, revealing at the same time the complexity and fragility of the political dynamics at the core of post-revolutionary Tunisia, and the risks it faces in terms of political polarisation.

In this context, the EU remains a fundamental partner and a generous donor, supporting Tunisia in its transition and in confronting the related challenges. 2016 marks the year of the 40th anniversary of the first EU-Tunisia cooperation agreement. In 2012, a task force led by the former Special Representative Bernardino León worked out a Privileged Partnership (PP) and, successively, the EU-Tunisia Association Council provided an action plan "defining the common priorities for bilateral cooperation and establishing the strategic framework governing EU support for the reforms and the democratic process providing an ambitious roadmap reflecting Tunisia's desire to implement reforms in all areas". However, the current situation in Tunisia and the limits of the European Neighbourhood Policy (ENP) instruments show that it is hard to turn words into practice. At the end of the day, a qualitative leap is needed.

STATE OF PLAY

Against its domestic political background, Tunisia now faces three major challenges that are deeply intertwined and equally important. Firstly, key reforms to harmonise the legislation and the institutional structures to the new constitution, and to cope with crucial demands of the 2011 revolution, still need to be done, but the reform process is slow if not stalling. Secondly, Tunisia's socio-economic situation continues to deteriorate, affecting in particular a large percentage of young people along with the population of the most disadvantaged inland regions. Thirdly, the security situation is worsening, with concerns related to localised protests, a rise in terrorist threats, and the conflict in neighbouring Libya. All three dynamics are being addressed by EU assistance through the use of substantial and multiple instruments in support to Tunisia's transition, but with limited results.

In terms of institutional challenges, most of Tunisia's legislation is inherited from Ben Ali's era, meaning that the most fundamental policies on legal, economic and security matters have not been harmonised with the new constitution. For instance, corruption, impunity for police abuses, devious investment laws, women rights' abuses, and limits to the freedom of speech, among others, are still a reality. On the one hand, the consensus-based practices, which are fundamental for the political system, prevented successive Tunisian governments to deliver far-reaching reforms. On the other, old distortive practices linked to corruption and an elitist tradition, combined with a rusty bureaucratic machine have reportedly hindered the possibility of reform.

Within the current financial framework (2014-2020), Tunisia has received significant financial assistance from the EU over the past two years in a number of different areas, including judicial reform (15 million euro), media sector reform, migration, gender equality, and the cultural sector. The grants and loans represent about one third of Tunisia's budget deficit, or 1.35% of GDP. In 2014-2015, bilateral assistance dedicated to governance and key elements of democracy amounted to a total of 64 million euro under the European Neighbourhood Instrument (ENI) and comprising the conditional, 'more for more'-based, "umbrella funds". Support for reform towards better governance and democracy is therefore consistent and has been steady since 2011. The most significant initiative in this respect has been the focus on the inclusion of civil society through a number of projects and, in particular, the Programme to Support Civil Society (PASC). However, given the complicated phase for Tunisia's transition and the lacklustre reform, the provision of budget support is not providing a fully effective framework to concretely help Tunisia in untying the most urgent political and bureaucratic knots.

Tunisia's socio-economic situation, which underpins the social discontent that led to the uprising, was already degrading before the 2011 revolution; it remains very problematic, failing to improve substantially during the years of transition. The moderate growth of the last two decades preceding the revolution was characterised by strong inequalities, high unemployment, and social exclusion. Furthermore, there was an increased volume of the informal sector and distortive policies facilitated corruption and cronyism. These features did not disappear during the transition and, after the initial enthusiasm for greater freedom of expression related to the new political regime, they came back as a great concern and, arguably, as a great peril for the stability of the country.

Likewise, the impasse in delivering structural reforms in the economic sector is increasingly causing renewed social unrest, as well as tensions between the authorities and trade unions. The publication, in September 2015, of the "2016-2020 Development Plan Guidelines" has not brought significant change so far, and it has received a lukewarm reaction, partly because it does not systematically address concrete reforms in all the key sectors. At the same time, there are strong inequalities between the historically marginalised and economically and politically disadvantaged inland regions, and the more powerful and richer coastal areas (85% of Tunisia's GDP is produced in the Tunis, Sfax and Sousse urban areas).

This disparity is clearly shown by poverty rates – 8-9% in the centre-east and Grand Tunis region, 26-32% in the centre-west and north-west – and by unemployment rates – above 20% in the inland regions, 12% in the coastal areas. Moreover, the Tunisian youth is the most affected and marginalised in the economy with an unemployment rate above 32% for the under 25s, representing a true 'social tragedy'. The tourism sector, one of the key sources of revenue in the country with its total contribution to GDP above 15% in 2014, has been seriously affected by the terrorist attacks in 2015 as the number of tourists in 2016 are estimated to have dropped by 25%. In addition, the Libyan crisis had a serious impact on the Tunisian economy through the significant decrease in subsidised imported oil from Libya, the return of about 100,000 Tunisians workers and the arrival of Libyan and sub-Saharan migrants and asylum seekers.

All these challenges have been duly acknowledged by international donors, and in particular by the EU. The latter has channelled aid through bilateral programmes within the ENI (in 2014-2015, 291.8 million euro was

dedicated to projects on socio-economic reform for inclusive growth and regional and local development), but also through mid and long-term loans of micro financial assistance programmes (200 million euro in a first package of 300 million euro has already been disbursed and further 500 million euro has been recently approved) and additional loans of the European Investment Bank (about 770 million euro between 2014 and 2015).

These efforts are substantial and should be praised. However, the lack of a regional policy, public investment, and the inadequacy of the tools to tackle the main development challenges – namely, lack of competition, cronyism, dualism, and overregulation – are suffocating the economy and undermining the efficacy of aid and foreign loans.

The security dimension is further complicating the picture. Terrorist threats and a deteriorating security situation, mainly on the border with Libya, are a great source of concern. However, it is also worrisome, especially in a context of democratic transition, that the security legislation and measures lack public accountability. The threats of terrorist actions and more generally of armed attacks on the Tunisian territory by jihadists are real. This was dramatically exemplified by the two terrorist attacks at the Bardo Museum and on the beach of Port El Kantaoui in Sousse in 2015, and by a coordinated attack of Tunisian jihadists – reportedly trained and armed in Libya – on the town of Ben Guerdane, about 30 kilometres from the Libyan border, earlier this year. Recent, smaller clashes and apprehensions of terrorist cells in the country reveal that the danger of more attacks and further deterioration persists.

At the same time, Tunisia's internal security forces, which were an instrument of power during Ben Ali's regime, still need to be thoroughly reformed. They currently face several structural and management glitches along with a lack of trust from society. The terrorist attacks and the heightened domestic tensions have also deepened the rift between the respect for citizens' rights and the security narrative of the Tunisian authorities. This has been concretised with the ongoing state of emergency and, most of all, the Anti-Terror Law adopted in July 2015, which has been criticised for introducing provisions not complying with international standards. In this context there are legitimate fears with several NGOs denouncing abuses, including arrests justified by security reasons but truly aimed at repressing dissent.

Another matter of concern is radicalisation within Tunisia, especially in connection with and under the influence of foreign network based terrorist organisations like Al Qaeda in the Islamic Maghreb (AQMI) and the Islamic State (IS). A high number of Tunisians have been recruited by IS and left for Iraq and Syria to wage jihad. Since 2011, it is estimated that between six and seven thousand young people left Tunisia. They were mostly from marginalised neighbourhoods, towns and regions, and form the greatest contingent among foreign fighters.

These security concerns have been integrated in the EU's aid towards the country and 23 million euro dedicated to the modernisation of the security sector addresses recruitment and training of security personnel, reinforcement of borders and technical support to the intelligence services in charge of the fight against terrorism. A further two additional packages of 2 million euro were planned to specifically address radicalisation prevention and border management in Tunisia. The EU effort adds up to a major interest of international donors, notably the US and France. The Tunisian government has also announced that, in 2016, 20% of the budget will be dedicated to the improvement of its security capabilities. In order to succeed, all these efforts will need to be duly coordinated and aimed at a substantial reform.

PROSPECTS

In a context of persistently great expectations about Tunisia's performance in stabilising and consolidating its transition, and taking into account the above-mentioned challenges, it is more than clear that international donors and especially the EU could do more for the country, while Tunisian authorities need to ensure that change to a freer regime also matches revolutionary expectations and, most of all, provide better living conditions for citizens. In fact, even if the level of EU aid is considerable, there are policy adjustments that can be made in the current framework of relations to better support the country as a whole. The main priority issues have been identified, but the cumbersome implementation of programmes, especially those involving capacity-building and technical cooperation, does not allow the most urgent matters to be addressed.

To address the effectiveness of its development cooperation tools, the EU should further enhance and ensure coordination among member states, encouraging convergence on common strategic priorities. The newly published 'Global Strategy for the European Union's Foreign and Security Policy' goes in this direction, but to put in place one of the main aims of the document, strategic convergence of the EU, the leadership of the HR/VP on concrete files should be ensured. Coordination and common external goals are even more important now, after the results of the UK referendum, in order to avoid fragmentation and advance integration through one of the EU's main pillars.

Also, administrative simplification and more authority to the field staff in EU Delegations could help in enhancing the positive effects of a more integrated European effort. The EU is aware of the problems related to the efficiency of its policy, and that is reflected in the new EU Global Strategy and in the reviewed ENP published in November 2015. The consultations between the EU and Tunisia enclosed in the new, more flexible format of the ENP could play an important role to address some key needs of Tunisians, such as further progress on the Free Trade Agreement and prioritising freer mobility, while working together on extensive, citizens' oriented reforms and a more solid and accountable security legislation.

However, in order to effectively untie these knots, and concretely pursue its commitment as a key partner for Tunisia, the EU could set up a new task force to build a more sustained, tailor-made, partnership and address on a regular basis the most urgent matters, primarily the implementation of reforms and socio-economic inequalities, including via stronger coordination among the various EU services concerned. The creation of this body could be modelled on the Support Group for Ukraine, which was set up after the crisis erupted, while in Tunisia the EU could get involved more proactively and preventively. Shifting the attention from the first achievements of Tunisia could endanger the current, more delicate, phase of its transition. The EU and its members could enhance their engagement through a task force in order to prevent any complication related to the abovementioned fragilities of Tunisia and affirm a positive example of the benefits deriving from partnership in the region.

A bolder approach could be in line with the reviewed ENP, which sees differentiation based on ownership and commitment by partner countries as the link to deeper cooperation, and would also be a means for the EU to show quality and effectiveness in its foreign policy. In addition, creating a task force could enable the EU to become a leader among international donors in Tunisia, not only attracting more funds from international donors, but also providing a framework for coordination among them, which is still reportedly weak.

Also, the involvement of civil society organisations and independent bodies within this new framework on a regular basis would help ensure that pre-revolutionary, undemocratic and opaque legislation and practices are brought to an end. Furthermore, this initiative should also focus on decentralised development in order to address the socio-economic regional disparities.

In general, what is needed by the EU is not just more money, but rather greater support and economic and mobility incentives based engagement for reform in Tunisia, allowing the country to address economic needs and tackle security threats, while ensuring that citizens' rights, including peaceful dissent, are respected. Ultimately, EU policy towards Tunisia needs a qualitative leap.

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