

Tunisia: In Brief

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Summary

Tunisia has taken key steps toward democracy since its 2011 “Jasmine Revolution,” and has so far avoided the violent chaos and/or authoritarian resurrection seen elsewhere in the Middle East and North Africa region. Tunisians adopted a new constitution in 2014 and held national elections the same year, marking the completion of a four-year transitional period. In May 2018, Tunisia held elections for newly created local government posts, a move toward political decentralization that activists and donors have long advocated. The government has also pursued gender equality reforms and enacted a law in 2017 to counter gender-based violence.

Tunisians have struggled, however, to address steep economic challenges and overcome political infighting. Public opinion polls have revealed widespread anxiety about the future. Tunisia’s ability to counter terrorism appears to have improved since a string of large attacks in 2015-2016, although turmoil in neighboring Libya and the return of some Tunisian foreign fighters from Syria and Libya continue to pose threats. Militant groups also operate in Tunisia’s border regions.

U.S. diplomatic contacts and aid have expanded significantly since 2011. President Trump spoke on the phone with Tunisian President Béji Caïd Essebsi soon after taking office in early 2017, and Deputy Secretary of State John Sullivan visited Tunisia in November 2017. President Obama designated Tunisia a Major Non- North Atlantic Treaty Organization Ally in 2015 after meeting with President Caïd Essebsi at the White House. United States Aid for International Development opened an office in Tunis in 2014, reflecting increased bilateral economic aid allocations. The U.S. Embassy in Tunis also hosts the U.S. Libya External Office, through which U.S. diplomats engage with Libyans and monitor U.S. programs in Libya. (The State Department suspended operations at the U.S. Embassy in Tripoli in 2014.)

U.S. bilateral aid administered by the State Department and USAID totaled \$205.4 million in FY2017. The Trump Administration requested \$54.6 million for FY2018, proposing to eliminate bilateral Foreign Military Financing (FMF) and to cut bilateral economic aid by more than half. The FY2018 Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Division K of P.L. 115-141), however, provided “not less than” \$165.4 million in aid for Tunisia. The Department of Defense (DOD) has provided substantial additional military aid focused on counterterrorism and border security. For FY2019, the Administration has requested \$94.5 million in State Department and USAID-administered bilateral funds for Tunisia. In addition, the U.S. Millennium Challenge Corporation (MCC) has requested \$292 million for an anticipated multi-year development compact with Tunisia.

Much of Tunisia’s defense materiel is U.S.-origin, and it has pursued U.S. arms sales to maintain its stocks and expand its capabilities. The State Department licensed the sale of 12 Black Hawk helicopters in 2014, and Tunisia has received significant equipment through the Excess Defense Articles (EDA) program, including 24 Kiowa helicopters and 24 guided missile “Hellfire” launchers notified to Congress in 2016. The U.S. military has acknowledged conducting intelligence, surveillance, and reconnaissance (ISR) activities from a Tunisian facility, and U.S. military advisors have reportedly played a role in some Tunisian counterterrorism operations.

Congress has focused on Tunisia’s democratic progress, economic stability, and counterterrorism efforts through legislation, oversight, and direct engagement with Tunisian leaders. There is a bipartisan Tunisia Caucus. Relevant bills in the 115th Congress include the FY2019 Department of State, Foreign Operations, and Related Programs Appropriations Act, and the Combatting Terrorism in Tunisia Emergency Support Act of 2017 (H.R. 157).

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Introduction

Tunisia's 2011 popular uprising, known as the "Jasmine Revolution," ended the 23-year authoritarian rule of then-President Zine el Abidine Ben Ali and sparked a wave of unrest in much of the Arab world. Since then, Tunisia has taken key steps toward democracy. Civil and political liberties have expanded dramatically, and Tunisia has experienced far less violence than some other transitional countries. An elected National Constituent Assembly adopted a new constitution in 2014, and presidential and parliamentary elections were held the same year, formally ending a series of transitional governments. During the transitional period, Islamist and secularist political factions overcame repeated political crises through consensual negotiations, a feat for which a mediator quartet of Tunisian civil society groups subsequently won the Nobel Peace Prize.

President Béji Caïd Essebsi, who founded the secularist ruling party Nidaa Tounes ("Tunisia's Call"), is a 92-year-old political veteran. Prime Minister Youssef Chahed (41), in office since 2016, leads a broad coalition government that includes Tunisia's main Islamist party, Al Nahda (alt: Ennahda, "Renaissance"), the country's other leading political force. (Al Nahda leaders do not refer to themselves as Islamist, preferring the term "Muslim Democrats."). The coalition has advanced some economic reforms, political decentralization, and efforts to improve gender equality, including a gender-based violence law enacted in 2017. Fiscal austerity efforts and a stalled transitional justice process remain divisive, however. Prime Minister Chahed has struggled to retain political support within the coalition in the face of a public backlash against austerity measures, as well as a power struggle within Nidaa Tounes ahead of elections due in 2019.

Leaders in Nidaa Tounes and Al Nahda have referred to their pragmatic partnership as necessary for stability in a fragile new democracy, and the alliance has arguably quieted the overt Islamist-secularist polarization that characterized the transitional period. Some critics view the two parties' entente as "grounded in mutual self-preservation," however, and assert that it is alienating party leaders from their respective bases.¹ Some observers have expressed concern at the slow pace of constitutional implementation, the appointment of former-regime figures to top posts, the government's sometimes antagonistic relationship with critical civil society groups, and a years-long state of emergency that suspends some civil liberties.² As one journalist wrote in 2016, "To many Tunisians, Nidaa Tounes feels like the return of the old regime: some of the same politicians, the same business cronies, the same police practices."³

Although many Tunisians are proud of their country's progress, opinion polls have repeatedly revealed anxiety over the future.⁴ The country suffered several large terrorist attacks in 2015-2016, and continues to confront threats along its borders with Libya and Algeria. Per-capita GDP has fallen every year since 2014, leading Tunisia to lose its "upper middle income" status in 2015. Efforts to address the socioeconomic grievances that fueled the 2011 uprising have not made significant progress, and corruption is perceived to have expanded.⁵

¹ Monica Marks, "Why do Tunisia's Islamists support an unpopular law forgiving corruption?" *Washington Post* Monkey Cage blog, May 5, 2017.


² See, e.g., International Crisis Group (ICG), *Stemming Tunisia's Authoritarian Drift*, January 2018.

³ George Packer, "Exporting Jihad," *The New Yorker*, March 28, 2016.

⁴ For example, a late-2018 poll by the International Republican Institute (IRI) found over 80% thought Tunisia was headed in the wrong direction. "Tunisia Poll Confirms Deep Economic Unease; Satisfaction with Anticorruption Campaign," January 20, 2018.

⁵ IRI, "Tunisia: Poll Reveals Persistent Dissatisfaction with Economy and Corruption," January 13, 2017.

Table I. Tunisia

| | |
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|  | |
| Population: 11.1 million; Urban: 66.8% of total Religions: Muslim (official; Sunni) 99.1%, other (includes Christian, Jewish, Shia Muslim, and Baha'i) 1% Ethnicities: Arab 98%, European 1%, Jewish/other 1% Median Age: 31.6 years Life Expectancy: 75.7 years Literacy: 82%; male 90% / female 74% (2015 est.) GDP Per Capita: \$3,463 GDP Growth: 2.4% | Unemployment: 13% (2017); ages 15-24, 38% (2012) Gross Debt as % of GDP: 73% Key Exports: clothing, semi-finished goods and textiles, agricultural products, mechanical goods, phosphates and chemicals, hydrocarbons, electrical equipment Key Imports: textiles, machinery and equipment, hydrocarbons, chemicals, foodstuffs Top Trade Partners: France, Italy, Germany, China, Spain, Libya, Algeria (2016) |

Source: Graphic created by CRS. Map boundaries from Esri (2013). Figures drawn from CIA World Factbook, World Bank, and International Monetary Fund (IMF); 2018 estimates unless otherwise noted.

Background: Tunisia Prior to 2011

While Tunisia shares many characteristics with neighboring countries, some of its attributes are unique: a small territory, a relatively homogenous population, a relatively liberalized economy, a large and educated middle class, and a history of encouraging women's socioeconomic freedoms. Tunisia's population is overwhelmingly Arabic-speaking and Sunni Muslim (although tribal and ethnic divisions persist in some areas), while its urban culture reflects European influences.

The legal and socioeconomic status of women is among Tunisia's particularities within the Arab world. Polygamy is banned, and women enjoy equal citizenship rights and the right to initiate divorce. (Inheritance laws and practices are nonetheless disadvantageous toward women.) Women serve in the military and in many professions, and constitute more than half of university students; the first woman governor was appointed in 2004. Many Tunisians attribute these

advances to the country's relatively liberal Personal Status Code, promulgated in 1956 under then-President Habib Bourguiba, as well as Bourguiba-era educational reforms.

Prior to 2011, Tunisia was widely viewed as exhibiting a stable and authoritarian regime that focused on economic growth while staving off political liberalization. It had had only two leaders since independence from France in 1956: Bourguiba, a secular nationalist and independence activist, and Ben Ali, a former interior minister and prime minister who assumed the presidency in 1987. Ben Ali cultivated the internal security services and the Constitutional Democratic Rally (RCD) party as his power base, and harshly repressed political participation, freedom of expression, and religious activism. This repression, along with corruption and nepotism, undermined the regime's popular legitimacy, despite relatively effective state services and economic growth. Another factor driving popular dissatisfaction was the socioeconomic divide between the developed, tourist-friendly coast and the poorer interior. Anti-government unrest rooted in labor and economic grievances has often originated in the interior—as it did in 2011.

Tunisia's "Jasmine Revolution"

In December 2010, antigovernment protests broke out in Tunisia's interior after a street vendor named Mohamed Bouazizi set himself on fire in an apparent protest against state repression and a lack of economic opportunities. Protests spread to neighboring towns and eventually to the capital, Tunis, and to wealthy coastal communities associated with the ruling elite. Police opened fire on protesters and made sweeping arrests; an estimated 338 people were killed.⁶ The army, however, apparently refused an order to use force against demonstrations, which became a key turning point in the crisis. On January 14, 2011, President Zine el Abidine Ben Ali, in power since 1987, fled the country for Saudi Arabia. He faces numerous criminal charges in Tunisia.

Politics

The 2014 constitution, adopted by an overwhelming margin by a transitional parliamentary body, lays out a semi-presidential political system with a directly elected president and relatively strong legislature. Dozens of parties contested elections held later that year, but the top two—Al Nahda and Nidaa Tounes—have come to dominate Tunisia's post-2011 politics. Nidaa Tounes, a big-tent secularist party, was formed in 2012 in opposition to a transitional government led by Al Nahda, an Islamist party that reentered national politics in 2011 after being banned under Ben Ali. Nidaa Tounes won a plurality of seats in the 2014 elections but defections have drained its ranks, leaving Al Nahda with the largest bloc of seats, 69 out of 217. The secularist leftist Popular Front (FP after its French acronym) is the largest opposition party in parliament with 15 seats. The FP includes prominent activists from parties banned under Ben Ali, and two of its members were assassinated in 2013, reportedly by Islamist militants.

Today, Al Nahda and Nida Tounes remain wary rivals but have agreed to share power in an arrangement referred to as "consensus politics." Al Nahda has simultaneously sought to separate its political party activities from religious proselytization, embracing the label of "Muslim Democrats."⁷ Leaders in both parties have asserted that a government of "national unity" regrouping parties across the political spectrum is necessary to ensure stability and push through difficult economic reforms. In practice, both institutional and economic reforms have been slow to advance. The alliance appears to have been motivated, in part, by Nidaa Tounes's need to cultivate allies given its internal divisions, and by fears on each side that further Islamist-

⁶ Associated Press, "Report Raises Number of Killed During Tunisia's Revolution to 338," May 5, 2012.

⁷ Monica Marks and Sayida Ounissi, *Ennahda from within: Islamists or "Muslim Democrats"?* A conversation, March 23, 2016.

secularist polarization could fuel political exclusion of, respectively, former-regime figures or Islamists.⁸

For some observers and Tunisian civil society activists, developments in 2017 sparked concerns about Tunisia's democratic trajectory.⁹ In September 2017, parliament voted narrowly to adopt an extremely controversial "administrative reconciliation law" drafted by President Caïd Essebsi, which grants amnesty for state employees implicated in corruption. A local protest movement and international human rights groups had characterized the bill as a threat to democratic accountability and a blow to Tunisia's transitional justice mechanism.¹⁰ A cabinet reshuffle the same month saw the appointment of new ministers with ties to the Ben Ali regime. President Caïd Essebsi later suggested on national television that he was considering changing the constitution, deepening some observers' concerns that his apparent efforts to strengthen the presidency could undermine democratic consolidation.¹¹

In May 2018, Tunisia held landmark local elections to fill posts created under a new political decentralization law. The accomplishment of holding elections, which had been repeatedly delayed, arguably restored a sense of momentum on political reforms. The elections are viewed by many observers as a key step toward more accountable governance as well as a means to address "long-standing issues of dramatic regional disparity" in health care, education, poverty, and infrastructure—although the concrete devolution of policymaking and fiscal authority is likely to be a long-term process at best.¹² Turnout was low at 34%, which some attributed to political apathy among young people. Al Nahda won 29% of votes, followed by Nidaa Tounes at 21%, but independent lists collectively outpolled both leading parties, garnering 32% nationally.

The contours of future political competition are uncertain ahead of national elections due in 2019. Nidaa Tounes, whose base includes business leaders, trade unionists, Arab nationalists, and former-regime figures, has struggled to contain its ideological and individual fractures. The president, 92, has not stated whether he will run for another five-year term in 2019. The decision to ally with Al Nahda was controversial within the party, leading several senior figures to leave and form a breakaway parliamentary group. Prime Minister Youssef Chahed, who has sought to impose fiscal austerity measures, has come under pressure from trade unions to resign, and as of mid-2018 he appeared to be in a power struggle with President Caïd Essebsi.¹³ Perceptions that the president is positioning his son, Hafedh, currently head of Nidaa Tounes, to succeed him have also sparked public backlash and splits within the ruling party.

Not all Tunisian Islamists back Al Nahda, and the party's willingness to compromise may have cost it some support among some of its supporters as well as more radical factions of public opinion. Some religiously conservative Salafists,¹⁴ who became more visible in the wake of the

⁸ ICG, *Stemming Tunisia's Authoritarian Drift*, January 2018.

⁹ See, e.g., Sarah Feuer, "Tunisia, a Success Story?" July 6, 2017; Monica Marks, "'Letting go of every principle': Tunisia's democratic gains under threat," *Middle East Eye*, July 23, 2017; and Sarah Yerkes, "Democracy Derailed? Tunisia's Transition Veers Off Course," *Foreign Affairs*, October 2, 2017.

¹⁰ HRW, "Tunisia: Amnesty Bill Would Set Back Transition," July 14, 2016; International Center for Transitional Justice, "ICTJ Comments on Draft Organic Bill Number 49/2015 Pertaining to Reconciliation in the Administrative Field," September 14, 2017.

¹¹ Yerkes, "Democracy Derailed?" op. cit.

¹² Sarah Yerkes and Marwan Muasher, *Decentralization in Tunisia: Empowering Towns, Engaging People*, Carnegie Endowment, May 17, 2018.

¹³ *Al-Monitor*, "Political Wrangling Within Tunisia's Leading Party Points to Power Struggle," June 5, 2018.

¹⁴ "Salafism" refers to a broad subset of Sunni Islamic reformist movements that seek to purify contemporary Islamic religious practices and societies by encouraging the application of practices and views associated with the earliest days

2011 uprising, openly support the creation of an Islamic state, and some have challenged government authorities—as well as artists, labor union activists, journalists, academics, and women deemed insufficiently modest—through protests, threats, and/or violence. A handful of Salafist groups have registered as political parties, but many operate outside the political system.

Key Figures

President Béji Caïd Essebsi. Caïd Essebsi, 92, won Tunisia's first free and fair direct presidential election in 2014. Caïd Essebsi founded Nidaa Tounes in 2012, positioning the party to rally diverse opponents of political Islam and of the Nahda-led Troika government in particular. He campaigned in 2014 on improving the economy and countering terrorism. Caïd Essebsi is a lawyer and was a close aide to Tunisia's first president, Habib Bourguiba, serving in various posts including Interior Minister and Defense Minister. He also held government posts under Ben Ali in the late 1980s and early 1990s, but was not at the forefront of the regime. In 2011, he served as Interim Prime Minister, overseeing initial political reforms and the organization of the 2011 National Constituent Assembly elections.

Prime Minister Youssef Chahed. Chahed, 41, was appointed by President Caïd Essebsi in August 2016 after then-Prime Minister Habib Essid stepped down following a parliamentary vote of no-confidence. Essid had failed to undertake effective economic and security reforms. An agricultural engineer, Chahed's only prior political experience was as a junior minister in Essid's cabinet.

Assembly President Mohamed Ennaceur. Ennaceur, 84, a member of of Nidaa Tounes, heads the Assembly of the Representatives of the People (ARP), the 217-seat single-chamber legislature. He was elected by a majority vote among MPs, including crucial support from Al Nahda. Ennaceur is a former government minister, diplomat, and civil society figure. Like President Caïd Essebsi, he began his career in government under founding President Bourguiba and also served in posts under Ben Ali.

Al Nahda Leader Rachid Ghannouchi. Ghannouchi, 77, is a political activist, author, and theorist of Islam and democracy. He co-founded and heads Al Nahda ("Renaissance") and has spearheaded both its tactical alliance with Nidaa Tounes and its embrace of the label "Muslim democrats." He has not held or sought any elected position, but wields substantial political influence through his ability to shape Al Nahda's policy positions. Ghannouchi was in exile for two decades under Ben Ali, returning to Tunisia in 2011 under a general amnesty adopted after the revolution. Ghannouchi has emphasized the importance of "consensus" in post-revolutionary Tunisia, and has often appeared to overrule the party's base in order to reach agreements with other political interest groups. Secularist critics often accuse him of claiming to be moderate while intending to gradually introduce more restrictive laws and institutions.

Chronology: Key Events January 2011-June 2018

| | |
|----------------------------|---|
| 2011: January | Authoritarian President Zine el Abidine Ben Ali flees amid mounting protests. |
| February | Béji Caïd Essebsi, an elder statesman, is appointed interim Prime Minister and promises constitutional reforms by an elected assembly. |
| October | Formerly banned Al Nahda wins a plurality in elections for a National Constituent Assembly and forms a "Troika" coalition government with two secularist parties. |
| December | Religiously conservative Salafists begin a sit-in at Manouba University to protest a ban on the full face veil or <i>niqab</i> . |
| 2012: April | Caïd Essebsi launches Nidaa Tounes as a secularist opposition movement. |
| June | Salafists riot in Tunis and other cities. |
| September | The U.S. Embassy and American school in Tunis are violently attacked by Islamist extremists, three days after the Benghazi attacks in neighboring Libya. |
| 2013: February-July | Two secularist leftist politicians are assassinated, reportedly by Islamist militants, sparking a political crisis and large protests. |

of the Islamic faith. Salafist movements hold a range of positions on political, social, and theological questions. A subset of Salafists advocate violence in pursuit of their aims, but many instead pursue non-violent preaching, charity, and (for some) political activities. See CRS Report RS21745, *Islam: Sunnis and Shiites*, by Christopher M. Blanchard.

| | |
|-----------------------|--|
| August | The government bans the Tunisian-led Islamist extremist group Ansar al Sharia. |
| October | A suicide bomber blows himself up near a hotel in the beach town of Sousse. |
| December | After protracted negotiations mediated by a quartet of civil society groups, Al Nahda agrees to cede control of the government to a technocrat Prime Minister. |
| 2014: January | The draft constitution is adopted by an overwhelming majority in the Assembly. |
| June | A national Truth and Dignity Commission is launched to investigate human rights violations committed by the state, and to provide compensation to victims. |
| July | 15 Tunisian soldiers are killed in an ambush near the Algerian border, reportedly the heaviest military death toll in decades. |
| October-December | Nidaa Tounes wins elections for the presidency and a plurality in parliament. Béji Caïd Essebsi becomes president. Al Nahda, which does not run a presidential candidate, wins the second-largest bloc of seats and joins the ruling coalition. |
| 2015: March | Gunmen kill 21 foreigner tourists and a Tunisian at the Bardo museum in Tunis. |
| June | A gunman kills 39 tourists, mostly British, on the beach in Sousse. |
| November | A suicide attacker kills 12 Presidential Guard members in downtown Tunis. |
| 2016: March | Militants claiming affiliation with the Islamic State launch a coordinated assault on the border town of Ben Guardane. The attack is put down by security forces. |
| July-August | Prime Minister Habib Essid resigns after a no-confidence vote in parliament. Nidaa Tounes and Al Nahda, along with several smaller parties and three civil society groups, agree to a broad political coalition aimed at addressing social, economic, and security challenges. President Caïd Essebsi names Youssef Chahed Prime Minister. |
| 2017: February | The IMF postpones loan disbursements, citing a lack of progress on reforms. |
| May | Prime Minister Chahed announces anti-corruption arrests and investigations targeting high-profile businessmen, politicians, police, and customs officials. |
| September | Parliament passes a controversial “administrative reconciliation law” that grants amnesty to civil servants implicated in corruption pre-2011. |
| 2018: January | Large protests erupt in opposition to planned fiscal austerity measures. |
| March | Parliament votes, controversially, to end the mandate of Tunisia’s Truth and Dignity Commission. |
| April | Powerful UGTT trade union federation calls for a cabinet reshuffle. |
| May | Long-delayed local elections are held. Al Nahda wins the most votes, followed by Nidaa Tounes, but independent lists collectively outpace both leading parties. |

Terrorist Threats

Since 2011, armed Islamist extremist groups across North and West Africa have exploited porous borders, security sector weaknesses, and access to Libyan weapons stockpiles to expand their activities. These groups have also capitalized on divisive identity issues as well as popular frustrations with poor governance. Some have sought affiliation with Al Qaeda or the Islamic State (IS, alt. ISIS/ISIL), including the Algerian-led regional network Al Qaeda in the Islamic Maghreb (AQIM) and its various offshoots, as well as several IS-linked cells operating along Tunisia’s borders with Algeria and Libya.¹⁵ Many, however, appear primarily focused on local or

¹⁵ See CRS In Focus IF10172, *Al Qaeda in the Islamic Maghreb (AQIM) and Related Groups*, by Alexis Arieff.

regional objectives. The degree of competition or coordination between Al Qaeda- and IS-linked factions in North Africa is debated.

Tunisia has seen the rise of local violent extremist organizations since 2011, and has also faced threats from groups and individuals based in Libya. U.S. and Tunisian officials notably blamed a Tunisian-led group known as Ansar al Sharia (AST) for an attack against the U.S. Embassy and American school in Tunis in 2012. Tunisia declared AST a terrorist group in 2013, and the U.S. State Department designated it a Foreign Terrorist Organization (FTO) in 2014. The group's leader, known as Abou Iyadh, relocated to Libya, where he was reportedly killed in a U.S. airstrike in June 2015.¹⁶

In 2015, deadly terrorist attacks in Tunis and the coastal city of Sousse rattled Tunisians and dealt a blow to the tourism sector. In early 2016, an IS-linked assault on the border town of Ben Guerdane prompted fears of a nascent domestic insurgency. Tunisian officials affirmed that these attacks were planned at least partly from Libya; a 2016 U.S. military strike in the Libyan town of Sabratha reportedly killed a number of Tunisian fighters.¹⁷ Internal security conditions have since improved, seemingly due to changes within the security apparatus as well as donor assistance.

Tunisia has been a top source of Islamist foreign fighters in Syria and Libya, and several terrorist attacks in Europe have been carried out by individuals of Tunisian origin. In April 2017, then-Interior Minister Hadi Majdoub stated that some 3,000 Tunisian militants remained active abroad and 760 had been killed, adding that the authorities had prevented over 27,000 Tunisian youths from joining their ranks since 2012.¹⁸ Majdoub added that some 800 fighters had returned to Tunisia at that point. Youth marginalization and the mass release of terrorism suspects in 2011 may partly explain Tunisia's high number of foreign fighters, as well as perceptions that state institutions remain corrupt, unresponsive, and/or abusive.¹⁹

The Economy

Tunisia has a diverse economy and large middle class. Textile exports, tourism, agriculture, and phosphate mining are key sectors. Tunisia also produces some petroleum, but is a net energy-importer. Until recently, Tunisia was an upper-middle-income country. Strong annual growth prior to 2011, however, masked corruption and inequalities that fed discontent. Notably, after President Ben Ali was pushed out of office in 2011, the World Bank documented that government regulations had been manipulated to favor firms closely tied to the Ben Ali family.²⁰ More broadly, wealth is concentrated along the urban and tourist-friendly coast, while the interior suffers from relative poverty and a lack of investment. Many Tunisians are highly educated, but the economy has generally created low-skilled and low-paid jobs, fueling unemployment.

Efforts since 2011 to promote private sector-led growth and create jobs have faced challenges, including investor perceptions of political risk, terrorist attacks on tourist sites, partisan disputes, and labor unrest that has periodically shut down mining operations. Per-capita GDP has fallen

¹⁶ *New York Times*, "Jihadist from Tunisia died in strike in Libya, U.S. official says," July 2, 2015. Another Tunisian was killed in a U.S. airstrike in Iraq in June 2015: Ali Ani al Harzi, a U.S. "Specially Designated Global Terrorist" accused of involvement in the 2012 Benghazi attacks. Al Harzi was detained in Tunisia in 2012 but released in 2013.

¹⁷ See Johannes Saal, "The Islamic State's Libyan External Operations Hub: The Picture So Far," *CTC Sentinel*, December 2017.

¹⁸ *Asharq al-Awsat*, "Tunisia Prevented 27,000 Youths from Joining Terror Groups," April 22, 2017.

¹⁹ IRI, *Understanding Local Drivers of Violent Extremism in Tunisia*, Winter 2016.

²⁰ World Bank, *The Unfinished Revolution*, May 2014.

every year since 2014, dipping below the upper middle-income threshold of \$4,036 in 2015 and remaining below it since.²¹ Youth unemployment, estimated at 38% in 2012, reportedly remains high.²² Corruption has apparently flourished since the political transition, undermining public faith in institutions and further entrenching regional divisions.²³

Economic growth is projected to reach 2.4% in 2018, the highest rate since 2014, due to strong agricultural production and exports.²⁴ The International Monetary Fund (IMF) has expressed concerns, however, about Tunisia's rising inflation (7.7% in April 2018, the highest rate since 1991), declining foreign exchange reserves, and vulnerability to rising global energy prices. The IMF has urged Tunisian policymakers to cut costs stemming from energy subsidies, which "disproportionately benefit the better-off"; public sector wages, described as "among the highest in the world as a share of GDP"; and pensions.

Such austerity measures, which have been embraced by Prime Minister Chahed, sparked large protests in early 2018. Tunisia's powerful national trade union federation, the UGTT, has since decried efforts to end state subsidies for fuel and other consumer commodities, asserting that "rising prices will only accentuate the social and economic crisis."²⁵ Domestic constituencies are also likely to oppose other economic structural reforms advocated by donors, including protectionist trade policies and the liberalization of labor laws. Tunisian transparency advocates, meanwhile, have called for economic reforms to focus more on changing laws and state practices that they view as enabling high-level corruption.²⁶

U.S. Policy and Aid

U.S. high-level contacts and aid have expanded significantly since 2011, as U.S. officials have hailed the country's peaceful political transition and as Congress has appropriated increased bilateral assistance funding. President Trump and President Caïd Essebsi spoke over the phone in February 2017 and discussed Tunisia's democratic transition and continued security threats. The two presidents "reaffirmed the historic United States-Tunisia relationship and agreed to maintain close cooperation...and seek additional ways to expand cooperation between the two countries."²⁷ Deputy Secretary of State John Sullivan visited Tunisia in 2017, and in early 2018 he affirmed that the United States "will continue to support Tunisia's efforts to improve security and modernize its economy, amid formidable challenges."²⁸

The U.S. military conducts intelligence, surveillance, and reconnaissance (ISR) activities at a Tunisian facility and U.S. Special Operations Forces have reportedly played an advisory role in Tunisian counterterrorism operations.²⁹ President Obama designated Tunisia a Major Non-North Atlantic Treaty Organization Ally in 2015, after meeting with President Caïd Essebsi at the White

²¹ International Monetary Fund (IMF), World Economic Outlook database, April 2018.

²² Figure as of 2012 from CIA World Factbook, consulted June 2018.

²³ International Crisis Group (ICG), *Blocked Transition: Corruption and Regionalism in Tunisia*, May 10, 2017.

²⁴ IMF, "Statement on Tunisia," May 30, 2018.

²⁵ TAP, "UGTT warns against consequences of rising prices of fuel and commodities," June 26, 2018.

²⁶ Sada, "Tunisia's Fight Against Corruption: An Interview with Chawki Tabib," May 11, 2017.

²⁷ The White House, Office of the Press Secretary. "Readout of the President's call with President Beji Caïd Essebsi of Tunisia," February 17, 2017.

²⁸ "On the Occasion of Tunisia's National Day," statement released by the State Department on March 20, 2018.

²⁹ AFRICOM Commander Gen. Thomas Waldhauser, remarks at a press briefing, March 24, 2017; *Washington Post*, "Outside the wire: How U.S. Special Operations troops secretly help foreign forces target terrorists," April 16, 2016.

House.³⁰ Tunisia cooperates with NATO's Operation Active Endeavor, which provides counterterrorism surveillance in the Mediterranean; participates in NATO's Mediterranean Dialogue; and allows NATO ships to make port calls. United States Agency for International Development opened an office in Tunis in 2014, reflecting increased bilateral economic aid allocations. The U.S. Embassy in Tunis also hosts the U.S. Libya External Office, through which U.S. diplomats engage with Libyans and monitor U.S. programs in Libya.³¹ (The State Department suspended operations at the U.S. Embassy in Tripoli in 2014.)

U.S. bilateral aid—totaling \$205.4 million in FY2017—has provided support for fiscal stabilization, economic growth initiatives, good governance, civil society capacity-building, and assistance to the police and military. A U.S.-endowed Tunisian-American Enterprise Fund invests in small- and medium-sized enterprises, and three U.S. loan guarantees for which Congress directed funds have allowed Tunisia to access up to \$1.5 billion in affordable financing from international capital markets.³² U.S. economic assistance has also supported the political decentralization process, as well as efforts to address youth marginalization and counter violent extremist ideology. State Department-administered military and police assistance has supported tactical capabilities as well as institutional reforms. The Department of Defense (DOD) has provided substantial additional military aid, focused on counterterrorism and border security (**Table 2**, below). Tunisia is one of 12 countries participating in the State Department-led Trans-Sahara Counter-Terrorism Partnership (TSCTP) and is one of six focus countries of the U.S. interagency Security Governance Initiative (SGI), initiated in 2014.

The Trump Administration proposed \$54.6 million in bilateral aid for Tunisia in its FY2018 budget request, proposing to eliminate bilateral Foreign Military Financing (FMF) and to cut bilateral economic aid by more than half. The FY2018 Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (Division K of P.L. 115-141), however, provided “not less than” \$165.4 million in aid for Tunisia. The Act also made available DOD funds from the Counter-ISIS Train and Equip Fund to support border security programs for Tunisia. The Administration's FY2019 aid budget request for Tunisia totals \$94.5 million. In addition, the U.S. Millennium Challenge Corporation (MCC) FY2019 budget proposal includes \$292 million for an anticipated multi-year development compact with Tunisia that would aim to reduce water scarcity and address regulations seen as constraining job creation.³³

Tunisia has expanded its acquisitions of U.S. defense materiel in order to maintain its U.S.-origin stocks and expand its counterterrorism capacity. The State Department licensed the sale of 12 Black Hawk helicopters in 2014, and Tunisia has also received significant equipment through the Excess Defense Articles (EDA) program, including 24 Kiowa helicopters.

U.S.-Tunisian relations date back over 200 years. Tunisia was also the site of significant World War II battles, and a U.S. cemetery and memorial in Carthage (outside Tunis) holds nearly 3,000 U.S. military dead. During the Cold War, Tunisia pursued a pro-Western foreign policy, despite an experiment with leftist economic policy in the 1960s. Still, U.S.-Tunisian ties were strained by the 1985 Israeli bombing of the Palestine Liberation Organization headquarters in Tunis, which some Tunisians viewed as having been carried out with U.S. approval.³⁴ More recently, the 2012

³⁰ The designation grants Tunisia priority in the delivery of U.S. excess defense articles (EDA) (22 U.S. Code §2321j), among other potential implications for bilateral security ties.

³¹ See CRS Report RL33142, *Libya: Transition and U.S. Policy*, by Christopher M. Blanchard.

³² USAID, “Tunisia signs \$500 million loan guarantee agreement with the United States,” June 3, 2016.

³³ Tunisia was first declared MCC-eligible in 2016. Previously, its per-capita income had been too high to qualify.

³⁴ Jonathan C. Randal, “Raid Left Scars on U.S.-Tunisia Ties,” *The Washington Post*, March 5, 1987.

attack on the U.S. embassy and American school, days after the Benghazi attacks in Libya, temporarily cooled relations as U.S. officials criticized the interim government's handling of the investigation and prosecution of suspects.³⁵

Table 2. U.S. Foreign Assistance for Tunisia

\$ millions, by year of appropriation

| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 (est.) | FY2019 (req.) |
|--|-------------|--------------|--------------|--------------|---------------|---------------|
| Bilateral State Dept + USAID | 57.8 | 61.4 | 141.9 | 205.2 | 165.4 | 94.5 |
| <i>ESF / ESDF</i> | 25.0 | 20.0 | 60.0 | 89.0 | 79.0 | 40.0 |
| <i>FMF</i> | 20.0 | 30.0 | 65.0 | 95.0 | 65.0 | 40.0 |
| <i>INCLE</i> | 9.0 | 7.0 | 12.0 | 13.0 | 13.0 | 10.0 |
| <i>IMET</i> | 2.3 | 2.2 | 2.3 | 2.1 | 2.3 | 1.9 |
| <i>NADR</i> | 1.5 | 2.2 | 2.6 | 6.1 | 6.1 | 2.6 |
| Additional State + USAID | 21.1 | 59.5 | 33.7 | 14.0 | TBD | TBD |
| <i>Economic Assistance^a</i> | 16.8 | 38.9 | 6.9 | 4.0 | TBD | TBD |
| <i>Security Assistance^b</i> | 4.3 | 20.6 | 26.8 | 10.0 | TBD | TBD |
| Defense Department | 4.6 | 72.2 | 58.6 | 33.6 | TBD | TBD |
| <i>Global Train + Equip</i> | 4.6 | 68.5 | 43.8 | 17.1 | 16.4 to date | TBD |
| <i>Defense Threat Reduction Agency</i> | - | 3.7 | 14.8 | 16.5 | TBD | TBD |
| TOTAL | 83.5 | 193.1 | 234.2 | 252.8 | TBD | TBD |

Source: State Department annual Congressional Budget Requests (FY2016-FY2019); State Department response to CRS query, May 2018; Defense Department congressional notifications and response to CRS query, May 2017.

Notes: May not include funding allocated under multi-country programs. Defense Department Global Train + Equip refers to planned funding under §1206, §2282, and §333 as notified to Congress. ESF=Economic Support Fund; ESDF=Economic Support + Development Fund (proposed by Trump Administration); FMF=Foreign Military Financing; INCLE=International Narcotics Control + Law Enforcement; NADR=Nonproliferation, Antiterrorism, Demining, and Related; TBD=to be determined. Includes funds designated as Overseas Contingency Operations (OCO).

- a. Includes ESF, DA, Democracy Fund (DF), Transition Initiatives (TI), Complex Crises Fund (CCF), and Global Health Programs (GHP) funds not reflected in the State Department bilateral aid budget request.
- b. Includes INCLE and NADR funds not reflected in the State Department's bilateral aid budget request.

Outlook

Tunisia has peacefully achieved many political milestones since 2011, prompting observers to portray it as the lone success story of the “Arab Spring.” Internal political tensions, socioeconomic pressures, security threats, and regional dynamics nonetheless pose ongoing

³⁵ On May 29, 2013, the U.S. embassy in Tunis released a public statement criticizing the relatively lenient sentences given to several low-level suspects in the Tunis embassy attack. The statement called for a “full investigation” and accused Tunisia’s government of failing to uphold its stated commitment to oppose those who use violence.

challenges. Despite a relative lack of conflict, Tunisia remains a potential locus of regional struggles among rival political ideologies, and among violent extremist groups vying for prominence and recruits. Key questions include whether Tunisia's broad-based coalition government is likely to remain cohesive, and how it will respond to terrorist threats, advance political and economic reforms, foster civil liberties, and satisfy popular demands for quality-of-life improvements. Tunisian leaders have welcomed U.S. assistance since 2011, but the local appetite for outside policy influence has also been shown to be limited in cases where donors have advocated economic reforms that domestic constituencies view as harmful.

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