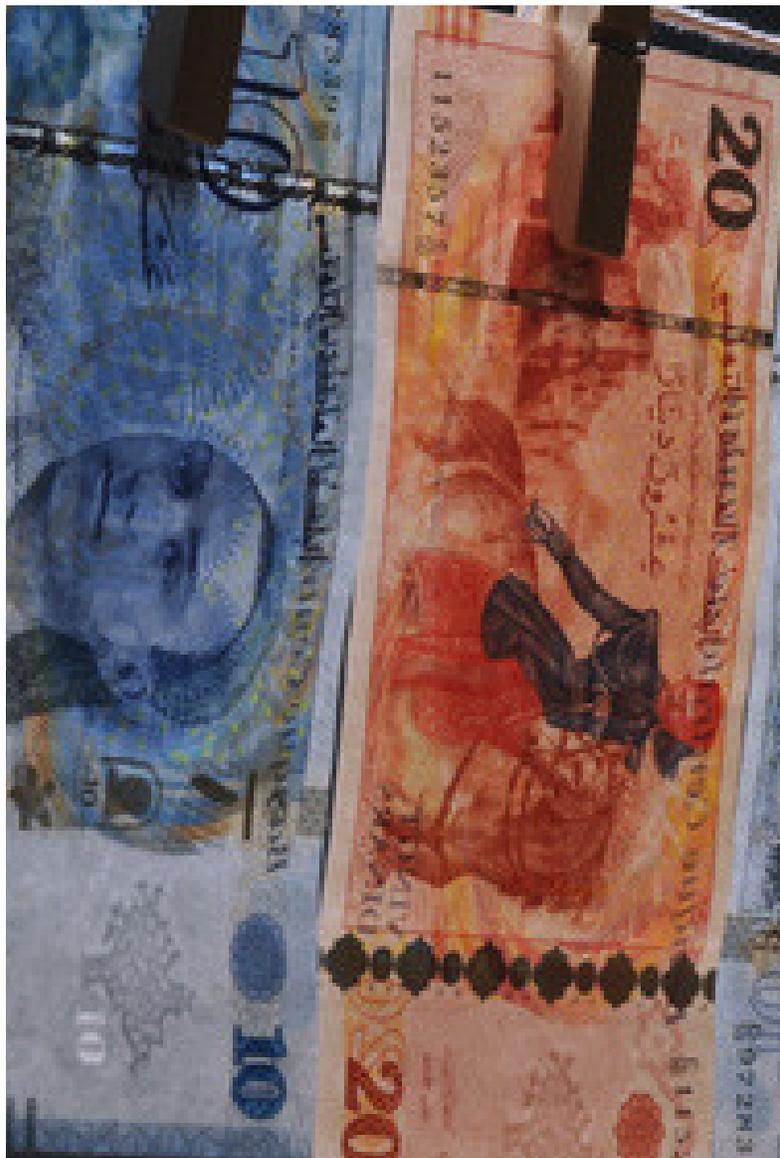


SECURITY AND CORRUPTION CHALLENGES IN TUNISIA

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OPEN Publications – Security and Corruption Challenges in Tunisia

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EXECUTIVE SUMMARY

The Arab Spring and Its Aftermath in Tunisia²

Tunisia's democratic transition began with widespread protests that grew into the region-wide Arab Spring in 2010-2011. Unlike other Arab countries that experienced widespread protests and regime change during the Arab Spring, Tunisia is the only surviving democratic transition from that political upheaval. However, Tunisia's democratic transition and its stability are at risk from economic stagnation fuelled by widespread corruption and security threats from terrorism.

Prior to the Arab Spring, Tunisia was ruled by a series of strongmen, most recently Zine el-Abidine Ben Ali. His regime was characterised by authoritarianism that relied on persistent and widespread corruption channelled through political patronage networks to buy broad support. The Ben Ali era was also characterised by severe human rights abuses and elections in which the results were pre-determined.³

Since Ben Ali's government was toppled in 2011, the human rights situation has improved markedly, though lingering concerns remain. Several democratic elections have taken place, and each of them has been conducted broadly in accordance with democratic principles. Tunisia's dramatic reforms represent one of the biggest turnaround stories with regards to democratic governance in the world in the last several years.⁴

Post-Arab Spring Corruption in Tunisia

While democracy has taken root and the dictatorship has fallen, Tunisia has had a much harder time tackling corruption. For decades, Tunisia's economy was a carefully managed political machine, powered by corrupt business dealings and an opaque political network that benefitted a small cadre of business elites at the expense of the broader public. This deep divide between the haves and have-nots is particularly stark between coastal, urban Tunisia and the interior, rural periphery.⁵ Since the 2011 revolution, the divide between richer coastal/urban areas and poorer interior/rural areas has become even more salient in national debates and it is a serious challenge for the government.⁶

As during Ben Ali's regime, economic inequality and underperformance of Tunisia's potential are both driven by corruption. The revolution did little to stop corruption but did much to broaden

² "6 Groundbreaking Arab American Journalists You Should Know." Arab America. July 26, 2017. Accessed August 30, 2017. <http://www.arabamerica.com/6-groundbreaking-arab-american-journalists-should-know/>.

³ Alexander, Christopher. *Tunisia: from stability to revolution in the Maghreb*. Abingdon, Oxford University Press: Routledge, 2016.

⁴ Klaas, Brian and Marcel Dirsus. "The Tunisia Model." Foreign Affairs. October 23, 2014. Accessed July 21, 2017. <https://www.foreignaffairs.com/articles/tunisia/2014-10-23/tunisia-model>.

⁵ Grass, Günter. "George Bush Is A Threat to World Peace, New Perspectives Quarterly." DeepDyve. January 01, 2003. Accessed August 30, 2017. <https://www.deepdyve.com/lp/wiley/george-bush-is-a-threat-to-world-peace-dOX11jYHD>.

⁶ Mongi Boughzala and Mohamed Tlili Hamdi. "Promoting Inclusive Growth in Arab Countries: Rural and Regional Development and Inequality in Tunisia." The Brookings Institute. February 2014. <https://www.brookings.edu/wp-content/uploads/2016/06/Arab-EconPaper5Boughzala-v3.pdf>

corrupt activities to a larger group of businesses and individuals.⁷ That is, corruption remained and expanded from a small group of elites to a broader network of well-connected individuals. As a result, Tunisia global corruption rankings continue to tumble even though it has established itself as a democracy.⁸ Economic gains still only accrue to a narrow slice of Tunisian society. Moreover, smuggling networks are a serious concern for enforcing the rule of law in the economic sector.⁹ Smuggling hinders the development of a more transparent, level playing field for Tunisians outside existing circles of political and economic power. If corruption remains rampant in Tunisia, the democratic transition will remain fragile as economic stagnation potentially gives rise to unrest.¹⁰

According to World Bank data, Tunisia's GDP grew at a sluggish 1.1% in 2015. Growth improved slightly to 1.2% last year, but both figures are well below the country's economic potential.¹¹ Thankfully, Tunisia's government recognises the seriousness of this challenge and has launched new and laudable anti-corruption initiatives alongside economic reforms that aim to attract an influx of foreign aid and loans. Nonetheless, there are concerns that anti-corruption efforts are being conducted in a way that, at times, disregards the the rule of law. Others argue that anti-corruption arrests have been selective and could be used to settle political scores. This fear is borne out of the fact that corruption is so widespread in Tunisian politics that there is always a risk that crackdowns on corruption could be used as a political weapon rather than as a tool of genuine reform.

Security Challenges

Furthermore, security is an ongoing challenge for Tunisia due to the persistent threat of terrorism. Since the Arab Spring, Tunisia has faced bombings, politicians being gunned down in the street, soldiers being attacked and attacks on tourists in museums and on beaches. The spectre of terrorism looms large over Tunisian politics, and this has important repercussions for political stability and economic growth. The challenges are acute and may intensify in coming years.

In that context, this paper highlights two major challenges: (1) widespread high-level corruption and smuggling; and (2) security challenges from homegrown terrorism, cross-border destabilisation from Algeria and Libya and the threat of new terrorist activity as Tunisian militants return home from jihadist battlefields abroad. With those challenges in mind, this OPEN report explores ongoing areas of concern related to corruption and security risk in Tunisia – with an eye toward constructive engagement to further the sustainability of its ongoing transition toward consolidated democracy.

⁷ "Blocked Transition: Corruption and Regionalism in Tunisia." Crisis Group. June 14, 2017. Accessed July 27, 2017. <https://www.crisisgroup.org/middle-east-north-africa/north-africa/tunisia/177-blocked-transition-corruption-and-regionalism-tunisia>.

⁸ Transparency International. "Corruption Perceptions Index 2016." Accessed July 22, 2017. https://www.transparency.org/news/feature/corruption_perceptions_index_2016.

⁹ Caulderwood, Kathleen. "Tunisia's \$1 Billion Smuggling Problem." International Business Times. December 05, 2015. Accessed July 27, 2017. <http://www.ibtimes.com/tunisia-1-billion-smuggling-problem-1542944>.

¹⁰ Daron Acemoglu and James A. Robinson. *Economic origins of dictatorship and democracy*. Cambridge: Cambridge University Press, 2005. See also: Kim, Nam Kyu. "Revisiting Economic Shocks and Coups." *Journal of Conflict Resolution* 60, no. 1 (2014): 3-31.

¹¹ "GDP growth (annual %)". World Bank. Accessed July 24, 2017. <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>

Tunisia's stability and prosperity are directly linked to NATO's core tasks of collective defence, crisis management and cooperative security. Terrorism is the most direct threat, as Tunisia is a key ally in the fight against radical extremist groups. Even though the government is working diligently to combat terrorism, there is still a dangerous current of radicalisation and extremism within Tunisia. Tunisian nationals have been implicated in jihadist attacks not only in Tunisia, Libya, Syria and Iraq but also in France and Germany. Without ongoing cooperation between NATO and Tunisia's government, Western governments will face greater risks of Tunisian nationals engaging in attacks beyond Tunisia's borders.

Furthermore, Tunisia is a sterling example of how crisis management is cheaper and more effective before a full-blown crisis emerges. The cautionary tale of Libya, Tunisia's neighbour next door showcases spill over damage when a State collapses inward on itself. Tunisia's stable, functioning democracy acts as a bulwark against drug trafficking, human smuggling and migrant flows. It has also been crucial in defusing the destabilising influx of Libyan refugees fleeing conflict on their own shores.

Finally, Tunisia is a strategic lynchpin of cooperative security because of its strategic location just across the Mediterranean from Europe and north of lawless stretches of desert. A stateless vacuum or even a weakened central government would create a pocket of anarchic instability at a crucial juncture roughly a hundred miles away from Italy. In sum, a strong Tunisia working as a close security partner with NATO is an invaluable asset; if that arrangement falters, it will become an enormous international liability.

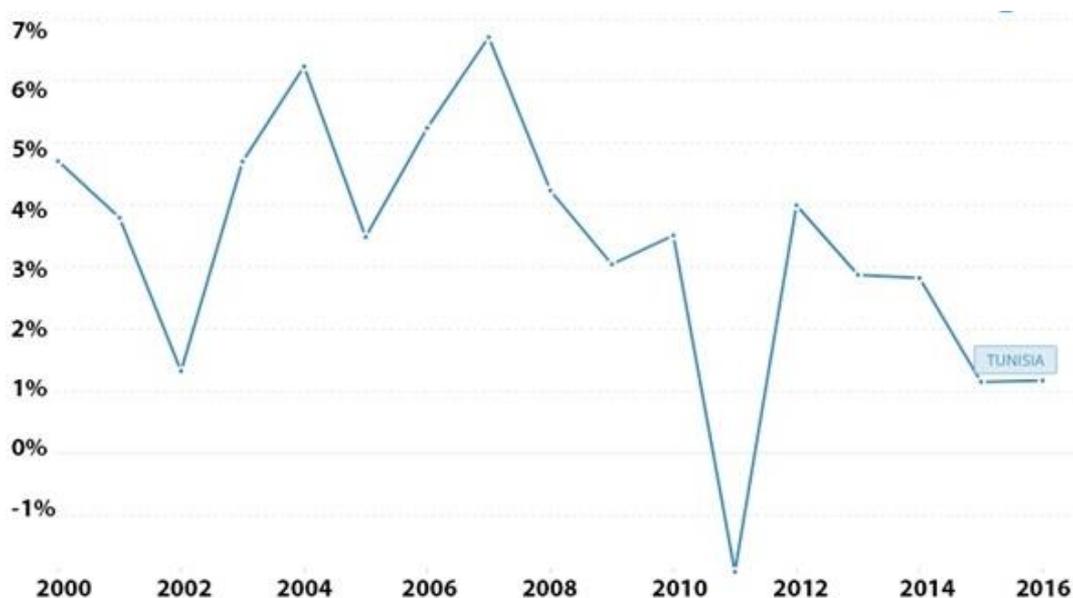
NATO can constructively engage with Tunisia in terms of both countering corruption and fostering security in productive ways that make stability and prosperity more likely – in ways that serve Tunisia's and NATO's mutual interest.

INTRODUCTION

In late 2010, a disgruntled vegetable vendor named Mohamed Bouazizi lit himself on fire in protest of the lack of economic opportunities and the corruption of Tunisia's ruling regime. His self-immolation eventually sparked the Arab Spring. Weeks later, long time Tunisian President Zine el-Abidine Ben Ali was toppled in an outpouring of unprecedented public protests. Democracy, in fits and starts, began to emerge in Tunisia.

In the subsequent, foundational 2011 National Constituent Assembly elections, the moderate Islamist party, Ennahda, surged to power. This party had previously been suppressed under Ben Ali's regime, and many of its long-time adherents had been jailed, exiled or tortured.¹² The newly elected Islamist government pledged its support for democratic principles and human rights, though it was nonetheless a period of disarray, violence, assassinations, and economic stagnation.

Figure 1: Tunisia's GDP Growth, Percentage, by Year, 2000-2016



Source: World Bank, World Development Indicators, accessed 24 July 2017.

In September 2013, the ruling party Ennahda voluntarily relinquished power and helped pave the way for a transitional unity government led by technocrats and officials who were not seen as beholden to a particular political side.¹³ Four months later, in January 2014, the technocratic government passed Tunisia's founding post-revolution constitution. The technocratic government was tasked with governing until late 2014 when elections were held. In the October 2014 Parliamentary elections, Nidaa Tounes – a party serving under Ben Ali's government that combined

¹² "Tunisians Testify About Horrific Tortures by the State." Time. Accessed July 21, 2017.

<http://time.com/4634622/tunisia-truth-dignity-commission-zine-el-abidine-ben-ali/>.

¹³ In Tunisian discourse, technocratic is used interchangeably to refer both to those who are selected based on their technical skills and for those who are not rigidly ideological.

trade unionists with secularists, liberals, and officials – won a clear mandate.¹⁴ Two months later, the candidate from Nidaa Tounes, Beji Caid Essebsi, was elected president. Ennahda chose not to field a candidate in those initial elections. However, since then Ennahda has renounced Islamism and re-branded itself as “Muslim democrats” – a term aimed at distancing themselves from harder-line Islamic political parties like the Muslim Brotherhood while underscoring their commitment to liberal values like democracy, the rule of law and human rights.¹⁵ Those values are shared across the mainstream of Tunisia’s politics.

Tunisia’s pathway from revolution to fragile democracy was made possible by a surprisingly strong amount of good faith and trust between wildly divergent political parties. There is a striking cohesion among elites, whether they be ex-Islamists or alumni of the now-toppled regime of Ben Ali. The working relationships are bolstered by personal friendships that bridge the ideological spectrum, which is a major boon to compromise and stability. As a result, Tunisia’s political development has been tumultuous, like any transition, but remarkably stable. Tunisia’s political cohesion earned it a Nobel peace prize in 2015, in recognition of the National Dialogue Quartet - key players who facilitated an abiding commitment to democratic values.

As Tunisia approaches the seven-year anniversary of the Arab Spring, there is an increasing number of people who again identify with Mohamed Bouazizi’s fatal frustrations from 2010. The fruits of Tunisia’s democratic transition have been distributed unevenly. Corruption is still rampant, and the entrenched economic elite still disproportionately benefits from a heavily skewed Tunisian economy. The government established a “Truth and Dignity Commission” to uncover six decades of financial and human rights crimes, but progress has been slow.¹⁶ Furthermore, the growing imbalance between prosperous urban coastal areas and the more deprived interior periphery is a serious political risk that threatens the fragile transition. Finally, Tunisia’s security situation is already shaky, with further ongoing risks from radicalisation and new challenges from Tunisian nationals returning home after fighting for jihadist groups in Syria, Iraq and Libya.¹⁷

In 2015, three major attacks in Tunisia were claimed by Islamic State. These included an attack on tourists at the Bardo museum in Tunis (which left 22 dead); an attack on tourists in resorts on the beaches of Sousse (38 deaths); and a suicide bombing on a presidential guard bus in Tunis (which killed 12 soldiers).¹⁸ The situation worsened in 2016 when Islamic State sleeper cells attempted to establish a foothold in Tunisia by taking territorial control of the town of Ben Guerdane in southeast Tunisia near the Libyan border. Tunisia’s security forces prevailed in the Battle of Ben Guerdane in

¹⁴ Gall, Carlotta. "Islamist Party in Tunisia Concedes to Secularists." The New York Times. October 27, 2014. Accessed July 25, 2017. <https://www.nytimes.com/2014/10/28/world/africa/nidaa-tounes-ennahda-tunisian-parliamentary-election.html>.

¹⁵ Ounissi, Sayida. “Ennahda from within: Islamists or ‘Muslim Democrats’?” Brookings Institute. February 2016. Accessed July 23, 2017. https://www.brookings.edu/wp-content/uploads/2016/07/Ounissi-RPI-Response-FINAL_v2.pdf.

¹⁶ “The place of reconciliation in transitional justice.” International Center for Transitional Justice. June 28, 2017. Accessed July 21, 2017. <https://www.ictj.org/publication/reconciliation-transitional-justice>.

¹⁷ Boukhars, Anouar. "The Geographic Trajectory of Conflict and Militancy in Tunisia." Carnegie Endowment for International Peace. Accessed July 27, 2017. <http://carnegieendowment.org/2017/07/20/geographic-trajectory-of-conflict-and-militancy-in-tunisia-pub-71585>.

¹⁸ Boukhars, "[The Geographic Trajectory of Conflict and Militancy in Tunisia](#)."

March 2016, but the Islamic State still exists throughout the country in sleeper cells and as an underground network.¹⁹

Partly because of the perception that the government was not doing enough to address security threats or corruption, former Prime Minister Habib Essid lost a vote of confidence in Tunisia's Parliament in August 2016. To replace him, President Beji Caid Essebsi of the ruling Nidaa Tounes party picked Youssef Chahed as the next prime minister. He was approved overwhelmingly by Parliament. Chahed's background is not in politics; he is an agricultural engineer and professor by training. However, he has become broadly popular because of his professed commitment to weeding out corruption. Nonetheless, the government's anti-corruption efforts have still been criticised by some who accuse the government of ignoring the rule of law.²⁰

As this paper examines and demonstrates, the challenges of corruption, security risks, and economic stagnation are linked in Tunisia. The government's response has been laudable. Progress has been made, but some key challenges remain to be resolved.

Figure 2: Coastal-Interior Divide in Tunisia



Source: [European Council on Foreign Relations, 2017](#).

¹⁹ "Border attack feeds Tunisia fears of Libya jihadist spillover." Reuters. March 14, 2016. Accessed July 26, 2017. <http://www.reuters.com/article/us-tunisia-security-idUSKCNOWF072>.

²⁰ "Tunisia's Risky War on Corruption." Carnegie Endowment for International Peace. Accessed July 27, 2017. <http://carnegieendowment.org/sada/71569>.

KEY POLITICAL DIVIDES IN TUNISIA

For decades, virtually all Tunisian political elites were by default members of a single political party. Under Ben Ali's time in power (1987 – 2011), anyone in Tunisia with serious political or economic power or aspirations was an active member of the Democratic Constitutional Rally (known by its French acronym, RCD). An Islamist party, Ennahda, existed, but it was forced underground and its leaders were largely in exile, in hiding or jail.

When the revolution took place, Ennahda won Tunisia's first democratic elections. The RCD was disbanded and banned. However, in a crucial bid for post-revolutionary inclusiveness, the reconstituted Tunisian government rejected calls to ban individuals affiliated with the RCD from the

government or elected office.²¹ This had a stabilising effect (in stark contrast to Iraq and Libya, where political purges in the wake of regime change were highly destabilising).²² As a result, Tunisia's disparate factions – from hard-liner Islamists to old guard figures to secular liberals and intellectuals – sought to find their place in a rapidly changing political landscape.

This prompted the creation of Nidaa Tounes in 2012 as a counterweight to Ennahda's "Muslim Democrats." The party was formed with a loose ideological structure, which allowed it to become a political home for anyone not a part of Ennahda. The party was initially unified by its opposition to political Islam rather than policy ideas. As a result, the party had a broad membership with sharp internal divides over Tunisia's future direction that have perpetually threatened its cohesion.

Since the 2014 Parliamentary elections, Tunisia's Parliament (the Assembly of the Representatives of the People) has featured a grand coalition between Ennahda and Nidaa Tounes. However, the balance of power has shifted over the course of that period. In 2014, Nidaa Tounes won the most seats in Parliamentary elections. Over the course of 2015, however, Nidaa Tounes began to fracture. Party members had sharp ideological disagreements and also fought over who should take up the mantle of the party after President Beji Caid Essebsi, who was nearly 90 years old at the time. This resulted in the formation of splinter parties, most notably Mashrou Tounes, which took 25 members away from the Nidaa Tounes plurality. Consequently, Ennahda now has the most seats in Tunisia's Parliament. The two parties continue to govern in a grand coalition, but Ennahda is again the dominant force in the Parliament.²³ This is certainly an unlikely arrangement, given their distinct differences, but they have correctly recognised that political cohesion is essential dealing with serious challenges during a fragile democratic transition. Their working relationship is critical to success, enabling the government to respond to problems constructively rather than engaging in political grandstanding and gridlock at a crucial moment for the country's nascent new democracy.

²¹ Preysing, Domenica. *Transitional justice in post-revolutionary Tunisia (2011-2013): how the past shapes the future*. Wiesbaden: Springer VS, 2016.

²² Miranda Sissons and Abdulrazzaq Al-Saiedi. "A Bitter Legacy: Lessons of De-Baathification in Iraq." International Center for Transitional Justice. March 2013. Accessed 21 July 2017. <https://www.ictj.org/sites/default/files/ICTJ-Report-Iraq-De-Baathification-2013-ENG.pdf>.

²³ "Ennahda gains majority in Tunisia parliament after resignations." Middle East Eye. January 11, 2016. Accessed July 23, 2017. <http://www.middleeasteye.net/news/ennahda-becomes-largest-party-tunisian-parliament-after-nidaa-tounes-resignations-1122757221>.

The current prime minister, Youssef Chahed, is a senior member of Nidaa Tounes, but his cabinet is filled with independents, Ennahda members, and representatives of other smaller parties as well as Nidaa Tounes ministers. He stated his goals for the unity government under his leadership as “a war on corruption, winning the war on terrorism, push for growth and balancing public finances.”²⁴ Broadly speaking, all parties in the coalition agree on the importance of these goals.

Many of the prickliest disagreements within the coalition relate to the question of how to address Tunisia’s authoritarian past as it builds a democratic future. Specifically, one of the most contentious proposed legislative items is a bill known as the Reconciliation Law. It would provide amnesty from prosecution for business figures who engaged in corruption and also for public officials guilty of crimes during Ben Ali’s regime. President Essebsi has championed this legislation since 2015, arguing that it is essential to turn the page on the Ben Ali era and that granting amnesty to corrupt business figures is necessary to create a less uncertain environment for international investment. Ennahda is divided on the law. Its executive leadership has offered tepid support for parts of the law, aiming to protect a strong working relationship with Nidaa Tounes and President Essebsi. However, many Ennahda members of Parliament – and especially the rank and file of Ennahda citizens – see the legislation as an unacceptable attempt to establish impunity and undermine accountability for past crimes.²⁵

This political context is important to understanding how Tunisia’s debate over corruption and its approach to security politics is playing out in a country that is home to a politically fractured citizenry but a single unity coalition in government.

CORRUPTION IN TUNISIA

When Ben Ali was deposed in 2011, the State seized 550 properties, 40 stock portfolios, 48 boats/yachts, 367 bank accounts, and roughly 400 businesses from his family and his close associates. This asset-grab exposed the undeniable reality that Ben Ali’s regime had ruled through systemic corruption. By the end of 2010, more than 200 firms affiliated with Ben Ali’s inner circle were taking an astonishing 21% of all private sector profits in Tunisia, according to an analysis conducted by World Bank researchers.²⁶ Part of the impetus for the Arab Spring was to root out this corrupt system and to create a more equitable and democratic state.

Yet, corruption has worsened rather than improved in the aftermath of Ben Ali’s toppling. In 2010, Tunisia was ranked 59th in the Transparency International Corruption Perceptions Index. In 2016, Tunisia had fallen to 75th, a drop of 16 positions in the rankings even as, conversely, Tunisia surged up global rankings in terms of democracy, human rights and media freedom.²⁷ According to a recent report by the International Crisis Group, this has been made possible by what some call the

²⁴ Miller, Karim Mezran and Elissa. "Another Crucial Moment for Tunisia." Atlantic Council. August 8, 2016. Accessed July 26, 2017. <http://www.atlanticcouncil.org/blogs/menasource/another-crucial-moment-for-tunisia>.

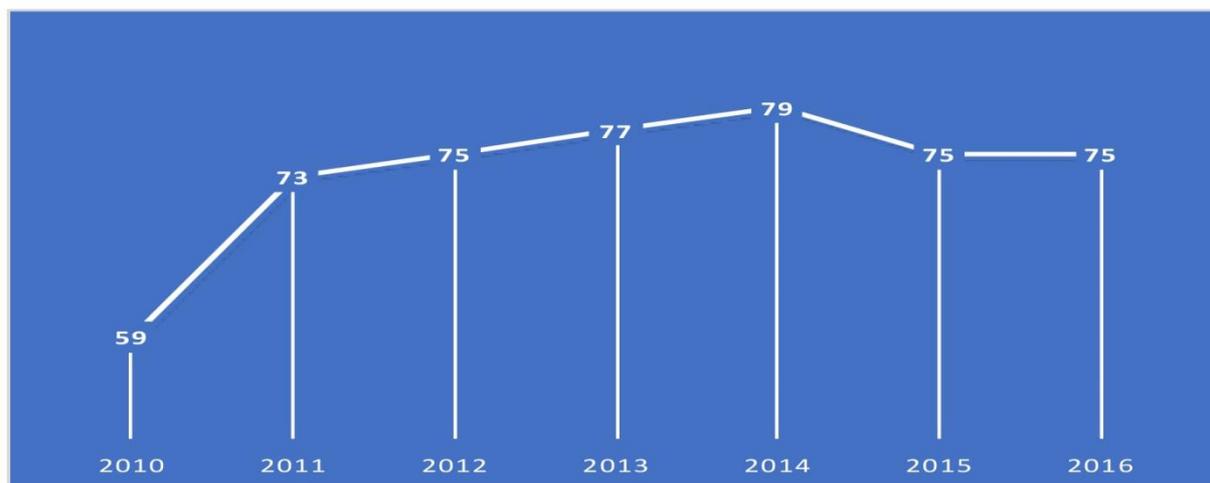
²⁵ "Tunisia parliament debates contested amnesty for Ben Ali-era corruption." Reuters. April 26, 2017. Accessed July 27, 2017. <http://www.reuters.com/article/us-tunisia-economy-lawmaking-idUSKBN17S24L>.

²⁶ Rijkers, Bob, Caroline Freund and Antonio Nucifora. "Tunisia's golden age of crony capitalism." The Washington Post. March 27, 2014. Accessed July 21, 2017. https://www.washingtonpost.com/news/monkey-cage/wp/2014/03/27/tunisias-golden-age-of-crony-capitalism/?utm_term=.a92e9279f32e.

²⁷ Transparency International, "[Corruption Perceptions Index](#)."

“democratisation” of corruption, wherein a broader group of political actors are now able to access a system that is still defined by the old mechanisms of illicit political patronage.²⁸ A recent estimate by Chawki Tabib, the head of Tunisia’s anti-corruption agency, suggested that up to US\$1 billion is lost annually to corruption in public contracting alone.²⁹ An enormous loss for an economy with an annual GDP around US\$42 billion.

Figure 3: Tunisia’s Ranking in Transparency International’s Corruption Perceptions Index, 2010-2016



Note: Higher rankings denote higher levels of corruption (i.e., 79th position denotes more corruption than 59th).

Source: [Transparency International](#), 2017.

According to a recent poll by the International Republican Institute, corruption is the largest complaint of Tunisian citizens, yet 85% of those polled saw it as a necessity to improve the country’s sluggish economy.³⁰ Outside of Tunisia, corruption has been a key target for international donors and partners who are keen to help Tunisia with critical financing, but not eager to see that investment wasted in corrupt, ineffective dealings.

Furthermore, while Tunisians mostly agree on the necessity of ending widespread corruption, the Reconciliation bill that would provide amnesty to some previously corrupt officials and business leaders has proved polarising. Some in Ennahda argue that the Reconciliation bill is an impunity bill that will establish the norm that corruption goes unpunished in post-revolution Tunisia. Others argue that the focus should be on current and future crime, rather than past misdeeds.

Likewise, the business community has become increasingly polarised on how to tackle corruption and whether it is an important focus of the government’s agenda. As Tunisia democratised, it became easier for new entrepreneurs to establish businesses. This new class of entrepreneurs,

²⁸ International Crisis Group, “[Blocked Transition](#).”

²⁹ Gall, Carlotta. “Corruption Crackdown Intensifies in Tunisia, and the People Cheer.” The New York Times. June 25, 2017. Accessed July 27, 2017. https://www.nytimes.com/2017/06/25/world/africa/corruption-crackdown-intensifies-in-tunisia-and-the-people-cheer.html?_r=0.

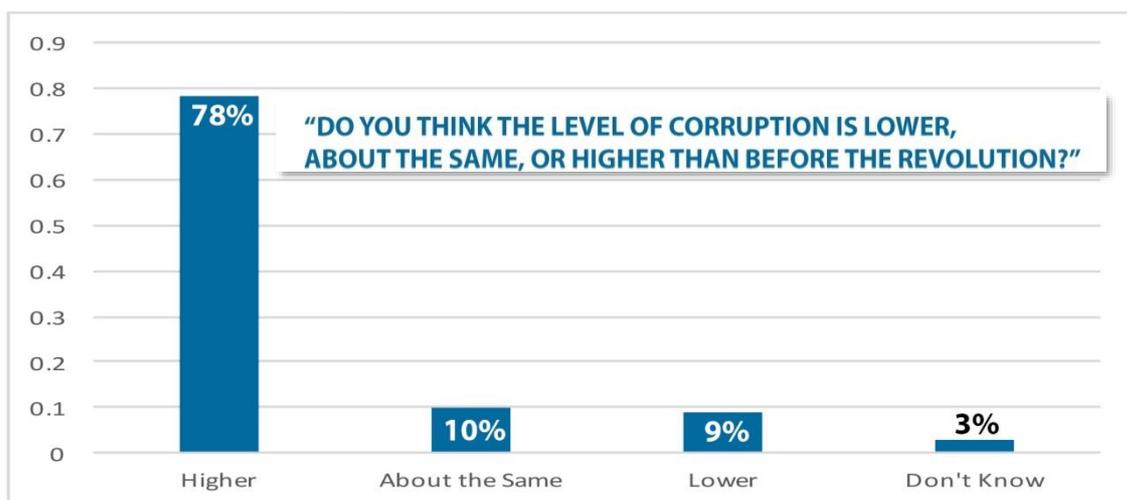
³⁰ “Tunisia: Poll Reveals Persistent Dissatisfaction with Economy and Corruption.” International Republican Institute. January 13, 2017. Accessed July 23, 2017. <http://www.iri.org/resource/tunisia-poll-reveals-persistent-dissatisfaction-economy-and-corruption>.

businesspeople who operate in the interior periphery of Tunisia’s economy, argue that the government has a permissive attitude toward corruption with coastal economic elites who benefit from an uneven or unfair economic playing field. Specifically, they point to regulations – and bribes – that allow those who are politically connected to skirt the rules and take advantage of the system. Furthermore, they point to the fact that Tunisia’s administrative apparatus grants broad discretion to public officials who make economically consequential decisions, which opens up administrative posts to bribery.³¹

Smuggling is also an ongoing factor, costing the government hundreds of millions in lost revenue annually and ushering in security risks. Smuggled goods are estimated to represent roughly half of all bilateral trade with neighbouring Libya, and those goods can include weapons or fighters.³² Smuggling is also a core foundation of the economy in southern Tunisia; rooting it out will create severe economic turbulence in the short-term.

In this environment, many in Tunisia and abroad were sceptical of Youssef Chahed’s pledge to tackle corruption after taking over as prime minister. At the time, one business leader turned politician – who has suspected of corrupt dealings himself, particularly during the Ben Ali period – even went so far as to boast that Chahed’s anti-corruption drive would be so weak that Chahed “could not even send a young goat to jail.”³³ Ironically, that businessman (Chafik Jarraya) was the first arrest as part of the Chahed government’s ambitious anti-corruption crackdown.

Figure 4: Perceptions of Corruption in Tunisia – Result of Survey of Tunisians



Source: [International Republican Institute](#), 2016

The government’s most credible crackdown on corruption began in earnest during May 2017. Government officials arrested several other business officials that month and followed it up in June 2017 by firing 21 customs officials suspected of being corrupt. In late June, Chahed’s government froze the assets of businessman and former presidential candidate Slim Riahi, accusing him of

³¹ International Crisis Group, “[Blocked Transition](#)” and Carnegie Endowment for International Peace, “[Tunisia’s Risky War on Corruption](#).”

³² Ayadi, Lofti. “Estimating informal trade across Tunisia’s land borders.” World Bank Policy Research Working Paper. December 2013. <http://documents.worldbank.org/curated/en/856231468173645854/pdf/WPS6731.pdf>.

³³ Carnegie Endowment for International Peace, “[Tunisia’s Risky War on Corruption](#).”

money laundering through Libyan banks. Days later, the government froze the assets of another customs officer and six more businesspeople.³⁴

According to an analysis by the Carnegie Endowment for International Peace, the latest Tunisian government anti-corruption efforts, encouragingly, have not exclusively targeted businessmen or politicians affiliated with a particular party. Instead, there have been arrests of figures who are close to both Ennahda and Nidaa Tounes. As a result, the initial public reaction to Chahed's stated campaign to stamp out corruption has been overwhelmingly positive.

However, there remain two major criticisms of the government's anti-corruption drive thus far. First, some have argued that Prime Minister Chahed is only targeting the "nouveau riche" while choosing not to prosecute more entrenched figures who were suspected of much more serious corruption during the Ben Ali era.³⁵ It is, of course, too early to tell the merits of this criticism. However, it is important because it highlights the challenge of the campaign's public perception. Unless the anti-corruption effort is viewed as neutral, non-partisan and focused on the rule of law rather than political allegiance, it is likely to prove polarising. For the moment, it's too early to tell if the anti-corruption effort will succumb to this destabilising temptation. But it would be particularly misguided and inflammatory because of smuggling, a target of the crackdown, tends to be most concentrated in the comparatively deprived interior of the country. A disproportionate crackdown on the illicit economy in the poor periphery while failing to prosecute coastal elites would likely exacerbate polarisation and the destabilising internal divide within Tunisia. Thus far, the government has managed to walk that tightrope and garner broad public goodwill in its anti-corruption effort. Going forward, Tunisia's government must continue to be extremely sensitive to even the appearance of being politically motivated if it is serious about weeding out corruption.

Second, some have argued that Tunisia's government is proceeding in its anti-corruption drive in a manner that disrespects the rule of law. The government's arrests were carried out under the authority of Tunisia's state of emergency, which has been in place since November 2015. According to Human Rights Watch, several of the arrests were planned outside of public view, rather than by a judicial or transparent procedure. Furthermore, corruption charges were issued by military tribunals rather than civilian judges, raising questions about blurring the line between civilian rule and military dictates.³⁶ That line was further blurred because the government used National Guard members rather than civilian police to make the arrests. Human Rights Watch has condemned this procedurally, arguing that "just as transparency and the rule of law are the best safeguards against corruption, they should also guide the fight against corruption."³⁷ Ennahda's leadership has also raised concerns on these fronts, insisting that they are worried about the procedure and precedent of the anti-corruption operations—even as they support the broad goal of the government's crackdown. It is unlikely that the Tunisian government's anti-corruption efforts would be stymied in any meaningful way if the process were done increasingly through transparent civilian procedures. Since corruption is done in the shadows, Tunisia may be better served over the long-run if it defeats corruption with a process that is fully transparent and out in the open.

³⁴ Ibid.

³⁵ Ibid and International Crisis Group, "[Blocked Transition](#)."

³⁶ Gall, "[Corruption Crackdown Intensifies in Tunisia, and the People Cheer](#)," The New York Times.

³⁷ "Tunisia: Secret Detentions Mar Anti-Corruption Effort." Human Rights Watch. June 9, 2017. Accessed July 27, 2017. <https://www.hrw.org/news/2017/06/09/tunisia-secret-detentions-mar-anti-corruption-effort>.

Despite these criticisms and the worries associated, the Tunisian government has succeeded in convincing the Tunisian public and the international community that it is serious about cracking down on corruption – an unprecedented development since the 2011 Arab Spring revolution. International partners hoping to shape the anti-corruption effort would be wise to engage now, in order to pressure the government into maintaining its momentum while improving the procedural dynamics of prosecutions.

Finally, international partners should be cognisant that anti-corruption efforts that target key figures in government may prove destabilising if not handled properly. These initiatives target a network that has allowed a small economic elite to prosper for six years in some cases, and six decades in others. As a result, strong and potentially destabilising political pushback could arise if public support for the anti-corruption effort fades.

SECURITY POLITICS IN TUNISIA: THE RISK OF RETURNING FIGHTERS

Tunisia presents a paradox: it is the only surviving democratic transition from the Arab Spring movement, but it is also believed to be the largest source of fighters to Islamic State battlegrounds.³⁸ The government is committed to peace and stability through democratic governance, but there are thousands of Tunisians who wish to overthrow the elected government and have Tunisia join a broader Islamic State caliphate.

Tunisia currently faces three disparate terrorist threats. To the west, there are Al-Qaeda affiliated fighters operating in the border region with Algeria. To the east, ISIS in Libya has tried to establish a foothold in eastern Tunisia. And throughout Tunisia, there is a risk of both returning fighters from battlefields in Iraq and Syria alongside the persistent threat of homegrown radicalisation in Tunisia's most deprived towns and neighbourhoods.³⁹

Security politics complicate every issue in Tunisian governance. Radicalisation is both a cause and a consequence of governance failures. During the last six years, Salafist extremists have launched a series of bloody attacks on Tunisian officials, citizens and tourists. Now, jihadists who have fought abroad are beginning to come home – and the government is struggling to develop a comprehensive plan to cope with the inevitable challenges of reintegration, deportation, or arrest.

Furthermore, there is a real risk that a narrow focus on those who are already radicalised jihadists will blind the government to the long-term drivers of radicalisation, including the very genuine feelings of emasculation and helplessness for young men with poor life prospects in the deprived interior periphery. The government will indeed face a long-term security challenge if it only takes immediate terrorist threats seriously.

From 2011 to 2014, the main security threat in Tunisia was a coalition of diverse Salafist groups that coalesced into a group known as Ansar al-Sharia in Tunisia. The group was founded by a man who had been imprisoned during Ben Ali's regime -- Seifallah Ben Hassine, popularly known as Abu Ayadh. The group professed not to be violent, but its members were involved in a series of attacks

³⁸ Trofimov, Yaroslav. "How Tunisia Became a Top Source of ISIS Recruits." The Wall Street Journal. February 25, 2016. Accessed July 22, 2017. <https://www.wsj.com/articles/how-tunisia-became-a-top-source-of-isis-recruits-1456396203>.

³⁹ Boukhars, "[The Geographic Trajectory of Conflict and Militancy in Tunisia](#)."

and were suspected of involvement in a September 2012 mob attack that set fire to the US embassy in Tunis.⁴⁰

Initially, the Islamist-oriented ruling party, Ennahda, was criticised for not taking the threat of Ansar al-Sharia in Tunisia seriously enough. This perceived softness on terrorism was partly driven by factions of the party that was more sympathetic to those in Ansar al-Sharia in Tunisia. However, as the Ansar al-Sharia-affiliated attacks increased, Ennahda began taking a hard-line approach and intensified its crackdown on all Salafist groups. This crackdown broadened out to also target Al-Qaeda affiliated groups (particularly Al-Qaeda in the Islamic Maghreb, which was operating in the mountainous region bordering Algeria). Over time, the Tunisian government effectively neutralised these groups, though many fighters were simply forced underground.⁴¹

After the slow demise of Ansar al-Sharia in Tunisia, extremist militants fragmented into a series of splinter groups. Around this time, tactics shifted too. Rather than focusing on harnessing anger from dissatisfied Tunisians as a means to attack and destabilise government institutions, the Salafi-jihadists began targeting civilians – including tourists – in an effort to wreak havoc in a broader way. The shift coincided with Islamic State gaining a stronger foothold in neighbouring Libya and its militants spilling across the border into Tunisia too. Some established an underground cell in Ben Guerdane, which also attracted ex- Ansar al-Sharia militants who no longer had a viable jihadist group. This culminated in several bloody attacks claimed by Islamic State at the Bardo Museum, the beaches of Sousse, and a suicide bomb on a convoy of presidential guards. Last March, Islamic State tried to set up a zone of control in Ben Guerdane; they were defeated in a gun battle with Tunisian soldiers. Since then, the pace and scale of attacks have lessened.⁴²

However, returning fighters present a fresh set of challenges. Tunisian government officials are hoping to avoid a similar situation to that faced by Algeria in the 1990s when militants returned from fighting alongside jihadists groups in Afghanistan and began a major destabilising civil war in their home nation. The United Nations estimates that 5,500 Tunisians have gone abroad to fight in extremist groups.⁴³ Tunisian nationals have also been implicated in attacks in France and Germany.

Tunisia's constitution does not permit the government to ban Tunisian nationals if they try to come home. Last December, President Essebsi cited overcrowded jails and floated the idea of an amnesty bill for returning fighters, but public outcry prompted him to reverse course and pledge that there would be no such amnesty offered. The Tunisian government can arrest returning nationals, but charges are difficult to prove so it is likely that many civilian court cases would result in acquittals particularly because the evidence is hard to establish for crimes committed such as in Syria for example. Furthermore, there is no comprehensive government program to reintegrate these

⁴⁰ Boukhars, "[The Geographic Trajectory of Conflict and Militancy in Tunisia.](#)"

⁴¹ Petré, Christine. "Tunisian Salafism: the rise and fall of Ansar al-Sharia." FRIDE & Norwegian Ministry of Foreign Affairs. October 2015. Accessed 22 July 2017. http://fride.org/descarga/PB209_Tunisian_Salafism.pdf.

⁴² "Jihadist Violence in Tunisia: The Urgent Need for a National Strategy," Crisis Group Middle East and North Africa Briefing no. 50, International Crisis Group, June 22, 2016, <https://www.crisisgroup.org/middle-east-north-africa/north-africa/tunisia/jihadist-violence-tunisia-urgent-need-national-strategy>.

⁴³ Gall, Carlotta. "Tunisia Fears the Return of Thousands of Young Jihadists," The New York Times. February 25, 2017. Accessed July 22, 2017. <https://www.nytimes.com/2017/02/25/world/europe/isis-tunisia.html>.

fighters if they do return. Instead, the approach has been one that is oriented around surveillance and monitoring.

Efforts to monitor potentially radicalized Tunisians have received a considerable boost from NATO already, which helped set-up the Fusion Centre in Tunis last year – a counterterrorism centre that surveils suspected members of Islamic State. Government officials have stated that they are currently monitoring roughly 1,000 suspects through that initiative.⁴⁴ Furthermore, Tunisian officials have visited the White House and agreed to a series of joint counter-terrorism priorities aimed at degrading and destroying the Islamic State. The Trump administration nonetheless proposed a sharp reduction in foreign aid for Tunisia; Congressional appropriators have instead proposed increasing US foreign aid to Tunisia.⁴⁵ A final decision has not yet been reached.

OPTIONS FOR NATO

NATO's focus on terrorism makes Tunisia a key ally to achieve the broader strategic goal of combating terrorism. Terrorist threats pose a direct challenge to Tunisia's democracy, its stability and its economy. When terrorist attacks increase, popular attitudes become more receptive to authoritarian responses – threatening the fragile gains made since 2011 in transparent, open government. When terrorists strike, Tunisia's political coalitions are at greater risk of fracture as they differ on the appropriate government response. And terrorist attacks—particularly on tourists—have adversely affected Tunisia's economy by causing prospective holidaymakers to visit destinations that are perceived to be safer.

For NATO, these risks are serious; Libya's experience of state collapse is a harrowing reminder of what can occur if militants overrun state authority. Tunisia's government is currently effective at combating migrant trafficking toward Europe. If Tunisia falls into disarray, the result could begin to mimic Libya in being a launch point for migrant trafficking. The same is true, of course, for drug trafficking and weapons smuggling (which is already a serious concern, even with a functioning government). The surest path to those destabilising outcomes would be a failure of governance in Tunisia that fails to address corruption or terrorist attacks adequately.

On the broader agenda of cooperative security and crisis management, Tunisia is a shining case study of how international partnerships can pay long-term dividends. The international community's efforts to strengthen Tunisian governance through financial assistance and security cooperation has meant that the darkest fears about Tunisia during 2015 have not come true. While there have been various points at which Tunisia looked like it was teetering on a much deeper security or governance crisis, international partners have helped Tunisia stay above that abyss. This has paid off in reduced terrorist attacks, but also in having a strategically located bulwark against trafficking and uncontrolled mass migrant flows on the doorstep of Europe.

⁴⁴ "Arab Spring star Tunisia emerges as Islamic State's No. 1 source for foreign fighters," Washington Times. September 14, 2016. Accessed July 22, 2017. <http://www.washingtontimes.com/news/2016/sep/14/tunisia-emerges-as-isis-no-1-source-for-foreign-f/>.

⁴⁵ Yerkes, Sarah. "We Need Tunisia in the Fight Against ISIS," Carnegie Endowment for International Peace. June 20, 2017. Accessed July 22, 2017. <http://carnegieendowment.org/2017/06/20/we-need-tunisia-in-fight-against-isis-pub-71311>.

Therefore, NATO has the option of deepening cooperation with Tunisia's government. In the Middle East, few models exist that balance being pro-democracy and anti-terror; Tunisia has this rare balance and stands alone in its neighbourhood, which is largely characterised by autocratic governments that facilitate terrorism to advance strategic rivalries. The investments made now in Tunisia – with security assistance, intelligence sharing and further financial aid – are all likely to pay much broader dividends in the coming years than would money, resources, and cooperation spent with less willing partners.

For the time being, Tunisia is making major strides on combating corruption and terrorism. With NATO's support, those gains will continue. But Tunisians must be vigilant and work together to combat these dual scourges. Terrorist plotting and corrupt dealings are threats to democracy that happens in the shadows, away from the prying eyes of citizens. Tunisia should combat both of them aggressively, but out in the open, using the strength of citizen participation to cleanse the corrosive holdovers of authoritarian rot. If Tunisians take up these challenges with a clear sense of unity and purpose, their country will continue to shine as a beacon for the possibilities of democratic reforms succeeding against seemingly impossible odds.

