

## A National Unity Government for Tunisia

[Sarah Feuer](#)

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While the incoming government is unlikely to include all the major political parties, the reshuffle could help overcome delays in the country's ongoing reform efforts.

In the coming days, Tunisian lawmakers are expected to announce the formation of a national unity government. If approved by the parliament, the new cabinet will replace the government of former prime minister Habib Essid, who stepped down after receiving a no-confidence vote on July 30. Advocates of the shift contend that a broad-based government would inject much-needed momentum into a stalled reform process. Whether that comes to pass will depend on the incoming cabinet's composition and the political will of Tunisia's leaders to make difficult policy choices in the months ahead. Amid reports of an impending visit by Russian president Vladimir Putin, observers inside and outside the embattled democracy will be watching how the birthplace of the Arab Spring manages the turnover.

### WHAT PROMPTED THE CHANGE?

The establishment of a national unity government will cap a process that began on June 2, when President Beji Caïd Essebsi proposed to replace Essid's cabinet with one more broadly representative of the country's leading parties and civil society organizations, especially the public and private sector unions. Formed after the 2014 legislative elections, Essid's government comprised only four of Tunisia's dozens of parties -- Essebsi's Nidaa Tounes (Tunisian Call), the Islamist Ennahda (Renaissance) led by Rached Ghannouchi, the Free Patriotic Union (UPL), and the neo-liberal Afek Tounes (Tunisian Horizons) -- along with a host of independents.

At least three considerations appear to have fueled the president's proposal. The first is widespread concern over the precarious security situation. Essid's tenure was punctuated by three high-profile terrorist attacks in 2015, as well as a March 2016 attack in Ben Gardane twenty miles from the Libyan border. In the latter incident, nearly fifty militants claiming allegiance to the so-called Islamic State targeted police and national guard headquarters before being repelled by the armed forces. Many saw the attack as a turning point because the perpetrators were all Tunisian citizens who seemed bent on seizing territory, rather than foreign operatives targeting civilians. Accordingly, Essid's government faced criticism for failing to devise a more effective counterterrorism strategy.

Second, Essebsi is no doubt aware of the public's growing frustration with the dismal economy. Since the 2011 uprising that ousted longtime autocrat Zine al-Abidine Ben Ali, Tunisia has been plagued by persistently high unemployment, lackluster growth, a burdensome regulatory environment that impedes new businesses and foreign investment, a tourism sector struggling to rebound from terrorist attacks, a phosphate industry at a standstill due to labor disputes, and a thriving black market economy in the traditionally neglected southern regions, where living conditions for many citizens have worsened in the past five years.

Such challenges would be daunting for any government. Essid did push through several meaningful reforms, such as overhauling the Central Bank and instituting a new investment code that, if approved by parliament, would ease business regulations and invite foreign investment. Still, he faced rebuke for failing to subdue the leading labor unions and their allies in parliament, who remain opposed to deeper economic liberalization. The resulting lack of comprehensive economic reform enabled Essebsi to frame the idea of a national unity government as an effort to break the gridlock by including powerful groups such as the Tunisian General Labor Union (UGTT) and their leftist allies in the legislature.

A third likely rationale for Essebsi's move is political. Ever since his party swept the 2014 elections, it has been plagued by internal rivalries, ideological incoherence, and a lack of governing structures. This March, Nidaa Tounes split up after its secretary-general, Mohsen Marzouk, left to form a new party, al-Mashroua (The Project). The split brought the number of Nidaa deputies in parliament down to 64, allowing Ennahda to reemerge as the leading bloc with 69 seats. In spearheading the national unity negotiations, Essebsi likely hoped to salvage his party and carve out a more secure position for his son Hafedh, who took control of Nidaa Tounes upon Marzouk's departure.

Those negotiations ultimately produced the Carthage Declaration, a document outlining six policy priorities for the new government: combating terrorism, increasing economic growth with a focus on job creation, fighting corruption, improving the country's fiscal and social policies, implementing targeted regional and local development initiatives, and increasing government efficiency. Nine political parties signed the declaration, as did

the UGTT, the Union of Industry, Commerce, and Crafts (UTICA), and the Union of Agriculture and Fisheries (UTAP). Essid was largely excluded from the deliberations and then forced to step down in July.

## **THE PROMISE -- AND PRICE -- OF CONSENSUS**

On August 3, Essebsi designated Nidaa member Youssef Chahed, a forty-year-old agricultural economist, as prime minister and tasked him with forming a new government. The appointment elicited backlash due to Chahed's perceived closeness to Essebsi's son and his reported familial relation to the president by marriage.

Moreover, initial indications suggest the "national unity" label may turn out to be a misnomer: thus far only the four parties that composed the previous government have confirmed their participation in Chahed's cabinet. Of those, Ennahda may emerge as the biggest winner. The Islamist party, which lost twenty seats in the 2014 elections and secured only one ministerial portfolio in Essid's cabinet, is reportedly angling for six of the predicted thirty posts in Chahed's -- an outcome that could position it well heading into next year's local elections. Meanwhile, several parties that signed the Carthage Declaration have withdrawn their support for the nascent government, and the UGTT's allies in the leftist bloc known as the Popular Front have said they will remain in the opposition.

For his part, Chahed has stated that regardless of his government's composition, his priority will be to bring younger Tunisians into governing institutions, to reduce corruption, to increase employment, and to fight terrorism. This focus partly reflects public opinion: [a national poll](#) conducted by the International Republican Institute in May found that Tunisians ranked security and economic challenges as the new government's most important priorities. And a plurality (40 percent) named corruption as a specific policy area in need of attention.

It remains to be seen whether Chahed can deliver on such promises and adopt long-awaited economic reforms. A guiding assumption of the entire enterprise has been that a broader government would have more political capital to push through reforms that many see as vital to the country's tenuous democratic transition. Yet the drive for an excessively broad coalition risks diluting the very reforms that such a government could feasibly implement. Moreover, continuing to prize consensus above all else could preclude the culture of dissent and compromise necessary in a healthy democracy. Beyond a change in prime minister and the political maneuverings of a government reshuffle, Tunisia's ability to tackle the myriad challenges threatening its transition will depend on how willing its leaders are to make tough choices.

## **U.S. POLICY MOVING FORWARD**

In facing those choices, the incoming government will need to know that the United States remains a committed ally. Economic and security assistance will be critical in this regard, and in today's Tunisia the two are intertwined.

Earlier this month, Tunisia issued a \$500 million bond on the international market guaranteed by Washington -- the third such U.S.-backed issuance since the uprising. The conditions for these loan guarantees have tended to focus on Tunisia's macroeconomic policy, incentivizing measures such as tax reform, customs reform, and streamlined investment regulations, all of which Tunis has identified as worthy goals. Still, in crafting future guarantees and other economic assistance, U.S. policymakers should consider incentivizing reforms that target the country's underdeveloped regions, where a poor economy and general lack of state support have bred disillusionment with the democratic experiment and left space for jihadist groups to make inroads. Most notably, despite all its progress over the past five years, Tunisia remains the single largest exporter of jihadist fighters to Syria, Iraq, and Libya.

Beyond concrete assistance, Washington should not underestimate the value of symbolic gestures. Last month, a group of 121 American foreign policy professionals sent a letter to President Obama urging him to visit Tunisia before the end of his term, and such a gesture may be necessary to reassure Tunis of America's enduring commitment.

*Sarah Feuer is a Soref Fellow at The Washington Institute.*