

Tunisia's Libya problem

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>>> In February 2015, Freedom House singled out Tunisia as the first Arab world country in four decades to be qualified as 'free'.¹ In the face of rampant chaos across the Arab world, the international community likes to view Tunisia as a box checked. Nothing could be further from the truth, and indeed this is a dangerous conclusion. Tunisia's democratic precedent is highly fragile, and its failure would be devastating for Tunisians, stability in North Africa, the legacy of the Arab spring, and the wider morale and hopes of aspiring Arab youth. Tunisia's transition experience pushes boundaries every day. Tunisia means that change is possible. If this spark is gone, so is hope.

Since the 2011 uprising that led to the ouster of Zine Abidine Ben Ali, debates about Tunisia's relations with its regional environment have turned. From asking how a successful transition to democracy in Tunisia would yield influence in the broader Arab world, policy communities in- and outside Tunisia now wonder how, conversely, the volatile regional environment may affect Tunisia's prospects for a durable democratic transition.

Domestically, Tunisia's transition finds itself at a difficult crossroads. Milestones such as the adoption of a democratic constitution and the first peaceful alternance of power have been achieved, and societal forces have been able to safeguard a consensus-led political reform process throughout a number of governance crises – a significant achievement rightfully honoured with the Nobel Peace Prize. Entering the nitty-gritty second phase of transition, however, Tunisia is stuck with a reform bottleneck, conditioned by elite in-fights, resistance against structural reforms, and unaddressed hinterland failure. A major wave of workers' strikes and protests is coming up, with a significant disruptive potential. At the same time, three

HIGHLIGHTS

- While Tunisian politicians point to Libya as a major source of militant extremism, Libyans reject responsibility for Tunisia's security shortcomings.
- The Libyan conflict is exacerbating Tunisia's domestic problems at a very fragile moment of Tunisia's transition, but it is not the main origin of them.
- Turmoil in Syria, Iraq, Yemen and Libya takes up the attention of the international community at Tunisia's expense. Yet regional disorder makes Tunisia more important, not less.

»»»»» major terrorist attacks in a year – the Tunis Bardo museum shooting on 18 March 2015, at a beach in Sousse on 26 June 2015 and a bus bombing in downtown Tunis on 24 November 2015 – risk upsetting the transition as they cloud the outlook for tourism and investment, shift debates from reform to security, and push the government to clamp down on liberties.

Many regional factors are affecting Tunisia's transition. The multiple repercussions of the war in Syria and Iraq, including the expansion of Daesh (also known as the Islamic State) to North Africa, and the many indirect effects of regional turmoil on the Tunisian economy via decreasing tourism and investment place further stumbling stones on Tunisia's path to becoming the Arab world's first full-fledged democracy. The Paris attacks, Tunisian analysts are certain, will have a direct impact on Tunisia's economy, and by default, on its transition.

Some of the most immediate security spill over, however, stems from instability in Libya, which, according to Tunisian Prime Minister Habib Essid, is 'Tunisia's biggest dilemma'. Permeable borders, militia rule, tribal divisions, contraband and a war economy, the post-Gaddafi arms bazaar, and Libya's development into North Africa's hub for Daesh are raising many questions for Tunisian security. Following each of the three major 2015 terrorist attacks, Tunisian commentators were quick to establish the link to training camps and other influences in Libya. Libyans, at the same time, reject responsibility for Tunisia's security shortcomings. In economic terms, Tunisia is under further strain as the economy of Libya, a major Tunisian trade partner, has collapsed and Libyan migrants flood the country. A slightly more nuanced question that needs addressing, however, is: how much of Tunisia's ills can really be ascribed to spill over from Libya? Does the Libyan conflict put Tunisia's transition at risk?

CREEPING EXTREMISM

The role of the Libyan conflict in the surge of militant extremism in Tunisia has many dimensions,

including the provision of training, weapons, sources of income through contraband/trafficking, ideological influence, logistical and organisational support, as well as the country's role as a transit hub for foreign fighters.

Observers have been quick to point to Libya-based militants' role in arming and training the perpetrators of the three main terrorist attacks that took place in Tunisia in 2015. They also stressed the impact of the Libyan conflict on the surge of militant radicalism across North Africa more broadly. Indeed, 2015 has been the year of Daesh taking a foothold in Tunisia. Daesh has claimed responsibility for all three attacks. Tunisian authorities confirmed that the perpetrators of the Bardo shooting had illegally travelled to Libya in December 2014. Tunisian authorities have long feared security spill over from Libya, and the disclosure of the Libyan link at the Bardo attacks was a wake-up call.

Extremism has been on the rise in Tunisia. The opening of political space after the revolution, combined with lax security, successful recruitment strategies, and the appeal of extremist ideology among disillusioned revolutionary youth allowed (largely non-violent) Salafism to flourish. The most successful Salafist group, Ansar al-Sharia in Tunisia (AST) entered an increasing confrontational course with the government as it turned to violence. Following the US Embassy attacks in September 2012 and the assassination in 2013 of Chokri Belaïd and Mohamed Brahmi, two prominent political figures (which the government blamed on AST), the group was declared a terrorist organisation by the then Ennahda-led government. As a result of the forceful clampdown that followed, the group largely disintegrated, and many former AST members fled abroad (including to Syria, Iraq, and Libya) and/or joined other groups, including Katibat Uqba ibn Nafi (KUIN, the Tunisian branch of al-Qaeda), Daesh and Ansar al-Sharia in Libya (ASL). The demise of AST produced a vacuum that Daesh has been able to tap.²

Many signs indicate that Daesh plans to strengthen its footprint in Tunisia. In December 2014, it made its first direct call to Tunisian citizens, tak-

ing responsibility for the assassinations of Chokri Belaïd and Mohamed Brahmi and calling Tunisians to arms under the banner of Daesh. In April 2015, a Tunisian member of Daesh in Libya called Tunisians to travel to Libya for training in order to establish and extend the standing of Daesh back in Tunisia. Analysts have warned, therefore, of a mounting competition dynamic between Tunisia's two main extremist currents – al-Qaeda affiliates on the one hand (in particular KUIN, which has been running an insurgency campaign against Tunisian security forces in Mount Chaambi since December 2012), and Daesh on the other – which may likely result in an escalation of violence involving greater and more spectacular attacks.³

There is a risk that the Libyan conflict becomes the default scapegoat for domestically rooted ills in Tunisia

The Libyan connection facilitates the significant potential threat emanating from the return of Tunisian foreign fighters in Syria and Iraq. In January 2015, it was estimated that between 1,500-3,000 individuals had gone to fight.⁴ According to

Tunisian Minister of Interior Lotfi Ben Jeddou, about 80 per cent of Tunisian fighters in Syria are members of Daesh. Much has been speculated over the roots of the 'Tunisian 3000',⁵ the highest estimate by country of origin worldwide. Among the reasons mentioned are typically AST's heavy promotion of jihad, the country's history of jihadist fighters in Afghanistan, socio-economic factors, but also the training and logistical facilities provided via Libya.⁶ Until recently, Libya was a central North African transit point for foreign fighters to Syria via a direct flight from Benghazi to Istanbul (which has now been cancelled).

Contacts and cooperation between Libyan and Tunisian militants, dating back to the 1980s, have been flourishing since 2011 via the opening of the political space in Tunisia and the establishment of

civil strife-torn Libya as a sanctuary for militant fighters from across the region. Local Libyan and Tunisian branches of militant groups including Ansar al-Sharia, Al Qaeda in the Islamic Maghreb (AQIM) and others have maintained substantial exchanges involving political, ideological, and logistical support including weapons and training, as well as joint trafficking and contraband activity. Early signs that Tunisians trained in Libyan terror camps date back to 2012. Repeated attacks against the Tunisian diplomatic facilities in Libya were claimed to be connected to ASL. According to the Tunisian authorities, up to 1,000 Tunisians are currently fighting or training in Libya.⁷

However, transnational extremism travels both ways: recent major terrorist attacks in Libya (such as against the Corinthia Hotel and on Tripoli airport) have involved Tunisian nationals, and Tunisian fighters are playing a key role in the expansion of Daesh in Libya. Consequently, Libyans receive Tunisian routine accusations with a stiff lip.

Moreover, while the Libyan militant connection is key, most major terrorist activities in Tunisia prior to the 2015 attacks have been linked not to groups rooted in Libya but to Algeria-based extremist groups, particularly AQIM, which have the experience, skills, and resources to acquire and smuggle weapons and stage operations.⁸ Tunisia's major area of insurgency is not at the Libyan but at the Algerian border, where al-Qaeda affiliated militants have been waging a war against the Tunisian authorities since 2012. Despite security cooperation with Algeria (intelligence sharing and joint exercises), this insurgency continues. Increasing competition between al-Qaeda affiliated militants and Daesh-linked militants has increased the odds of terrorist attacks in an attempt to outbid each other.⁹

CONTRABAND AND BORDER SECURITY

Informal economic activity concentrated along the border areas involves a large number of people including transporters, street vendors, seasonal



»»»»» traders, currency exchangers, wholesalers and Tunisian consumers, for whom this activity ensures access to a large number of goods. Porous borders and contraband networks, however, have provided an ideal habitat for radical militants to flourish in North Africa and the Sahel. Transnational extremist groups such as AQIM have preferred to operate in the desert hinterlands, where they can benefit from connections to historical trade routes and trafficking networks, and exploit governance weakness to successfully entrench themselves with the local tribal structures. Where borders are controlled by militants, smugglers are obliged to cooperate with militants for access, thereby building an alliance between jihadist militancy and (other) organised crime.¹⁰ The connections between militias and some traffickers in Southern Libya entails competition with other established trafficking cartels, and therefore significant potential for further conflict and violence.¹¹

The Tunisian authorities have been struggling to find an adequate response to the border challenge. The Tunisian security forces lack both the necessary equipment and the required level of training and professionalism effectively to guard the borders. However, politicians' mostly reactive calls for stronger border security are not matched by the political will to reform the security sector.¹² The challenge is further complicated by the absence of functioning counterpart institutions on the Libyan side, and the high local dependency on illicit economic activity. The significant shortcomings in border management result in an increasing security vacuum that is being exploited by jihadists and contraband cartels.¹³ The government's decision to build a wall along the Tunisian-Libyan border – construction of the first part from Ras Ajdir to Tataouine started in July – appears to be a desperate populist move rather than an effective strategy to keep out weapons and terrorists.

The greatest obstacle to effective border management, however, is the dependency of local communities on informal cross-border trade, which would be wiped out if borders were sealed. Around 40 per cent of the Tunisian economy is

informal, and smuggling and other illicit activities are often the only source of income in Tunisia's socio-economically marginalised Southern border areas.¹⁴ The lack of opportunity and deep-seated socio-economic discontent in the border areas means that cutting-off these opportunities is not possible without providing alternative sources of income, which the Tunisian state is not currently capable of doing. A complete, sudden crackdown of all illicit economic activity in these areas would further undermine, rather than strengthen, people's security. In order to prevent this, a more differentiated and measured response will have to consider how to disrupt those activities that most benefit militants and organised crime while not suppressing others that maintain a lifeline for the local population.

LIBYAN REFUGEES

The impact of migrants that moved to Tunisia following the outbreak of the Libyan conflict is the subject of much controversy and is closely followed by the local Tunisian media. Estimates from different government sources of the number of Libyan refugees range between 1 million (January 2014) and 2 million (February 2015), equivalent to roughly 10 per cent of Tunisia's population. While most refugees arrived during the outbreak of violence in 2011, the recent escalation of the conflict in Libya has once more reinforced the flow. While the Tunisian border with Libya remains open, Libyan borders with Algeria, Egypt, Chad and Niger have been closed. In February 2015, the Tunisian foreign ministry said the Ras Jedir border crossing alone received between 5,000 and 6,000 Libyan refugees a day.¹⁵ In March 2015, according to Tunisia's Foreign Minister Taïeb Baccouche, one-third of Libyan citizens were residing in Tunisia.¹⁶

Despite temporary border closures, Libyans are free to enter Tunisia without a visa, and a 1973 agreement grants Libyan nationals a number of privileges in Tunisia, including the right to work and establish businesses.¹⁷ They are banned from accessing public schools, however, and need to pay

for private tuition as schools opened by the Libyan government in Tunis cannot cover demand. Many Libyan refugees in Tunisia are middle-class, arguably contributing to consumption which, according to one estimate, has been injecting an additional €1 billion into Tunisia's economy.¹⁸ At the same time, Tunisians complain about rising prices for housing, strains on public services and, in particular, Libyan residents' consumption of subsidized goods. In December 2014, Tunisian Foreign Minister Mongi Hamid asked Libyan authorities to supply oil at cheaper prices, arguing that Tunisia should not buy oil at market prices only for Libyans to 'use it after it has been subsidized by our government'.¹⁹

Tunisian observers also fear an import of Libya's political tensions and polarisation within the Libyan community in Tunisia (that includes many former Gaddafi sympathisers), which risks carrying the Libyan conflict onto Tunisian soil. Keen to retain its stated neutrality vis-à-vis the Libyan conflict and 'in order not to be dragged into the domestic affairs of Libya', the government has repeatedly called upon Libyan nationals residing in Tunisia 'not to engage in political activity' without duly notifying the Tunisian authorities in accordance with Tunisian law.²⁰

MACRO-ECONOMIC IMPACT

While the European Union (EU) absorbs the bulk of Tunisian exports (73 per cent in 2014)²¹, Libya is Tunisia's most important regional trade partner. Although bilateral trade with Libya makes up only 3.1 per cent of Tunisia's total foreign trade, alterations of flows have a high impact. The Tunisian and Libyan economies have been complementary, with Tunisia importing oil and gas and exporting consumer goods. According to a 2014 ESCWA study, 'a correlation analysis of [...] Libya and Tunisia over the period 1995-2013 reveals a close relationship between their GDP levels'.²² During the 2009 financial crisis, the dynamism of Tunisian exports towards Libya, boosted by bilateral trade facilitation measures, helped compensate for Tunisian losses on the European market.²³ The

breakdown of the Libyan economy has hence been a major blow for Tunisia. In 2013 and 2014, Tunisia's GDP shrunk by around 3.7 and 3.8 per cent respectively, and the renewed escalation of the Libyan crisis in 2015 has further damped hopes for a rapid recovery of the Tunisian economy.

Moreover, Tunisia largely depends on Libyan oil imports. Until recently, Libya was supplying more than 25 per cent of Tunisian fuel needs at a preferential price. A bilateral agreement to deliver gas and 650,000 barrels of crude oil to the Tunisian market on a monthly basis, starting from January 2014, is unlikely to be complied with now that Libyan oil output is down to 300,000 barrels per day.

The tourism sector is crucial to the Tunisian economy. In 2010, tourism receipts covered 56 per cent of the trade deficit and provided 19 per cent of foreign exchange earnings. In 2013, the tourism sector's contribution reached 7.3 per cent of GDP, and the wider tourism-related industry accounts for 6.6 per cent of employment. The 2015 terrorist attacks have led to a sharp fall in tourism bookings: after the Sousse attack in June, visitor numbers from Britain alone went down by 80-90 per cent.²⁴ Before the fall of Gaddafi, around 1.8 million Libyan tourists went to Tunisia each year. In 2011, Libyan tourist arrivals in Tunisia dropped by 30 per cent. The increasing number of wealthy Libyan refugees, however, may partly compensate for the loss in regional tourism receipts.²⁵

The halt of remittances from Libya is also having a major impact. In 2012, the World Bank estimated formal and informal remittance flows from Libya to Tunisia to account for 0.56 per cent of Tunisia's GDP. Prior to the Libyan conflict, around 100,000 Tunisians were working in Libya, most of who have returned home. They mostly originate from poor areas of Tunisia, where the income generated in Libya supported large families, and so their return means the loss of remittances – often the only source of income – for particularly vulnerable communities, increasing poverty and heightening the odds for social unrest.²⁶

HOMEMADE DISH, FOREIGN SPICES

The Libyan conflict is exacerbating Tunisia's domestic problems at a very fragile moment of Tunisia's transition, but it is by no means the main origin of them. The responsibility for countering and preventing terrorism and radicalisation in Tunisia, securing its borders, fostering economic opportunity within the marginalised rural and border areas and gradually reducing contraband and trafficking lies with the Tunisian authorities.

Libya's influence in fostering radical militancy in Tunisia is clear, but a number of important nuances need to be drawn. Daesh's rise in Tunisia, while enabled by the Libyan conflict, has built on Tunisia's home-grown jihadist militancy, and was enabled by many local factors, including policy failures such as lax security in the aftermath of the revolution and the backfiring of governmental counter-terrorism measures. The Tunisian government's harsh crackdown on Ansar al-Sharia left an institutional and ideological vacuum that has benefitted Daesh, KUIN and other groups. The government today believes that a conciliatory stance will not dissuade Salafists from radicalisation and blames Ennahda's failed soft stance on the surge of radical militancy. Aside from endangering hard-earned civil liberties, this uncompromising stance is likely to increase polarisation in a society whose post-revolutionary success has been based on the primacy of consensus.

While routinely warning of the dangers of returning foreign fighters and security spill over from Libya, the Tunisian government has been largely reactive and heavy-handed in its response and measures have included enacting a state of emergency, curfews, border closures, travel restrictions, and widening the power of the security forces.²⁷ Domestic debates in Tunisia over the past year have switched from a reform to a security focus, and the terrorism threat is being successfully exploited by those political actors not interested in structural reforms. In particular, harsh resistances to reforming the security sector – which many consider a precondition for effective national security and border patrol – is

inhibiting the development of a comprehensive national security strategy.²⁸

Despite serious internal challenges, Tunisian politicians routinely blame a variety of domestic difficulties on the Libyan dossier. While many of these concerns are justified, there is a risk that the Libyan conflict becomes the default scapegoat for domestically rooted ills for which Tunisian authorities are reluctant to take responsibility.

At a moment of great fragility for Tunisia's transition, the radicalisation of jihadist movements is growing at much greater speed than both the political will and the financial means of the Tunisian authorities to address socio-economic problems in the country's vulnerable border areas.²⁹ Therefore, the international community must assist the Tunisian government even more decisively, including with financial and technical assistance, equipment and technology, and political support, accompanied by pressure for structural reforms (if necessary by making assistance conditional). Regional turmoil in Syria, Iraq, Yemen and Libya takes up the attention of the international community at Tunisia's expense. Yet regional turmoil makes Tunisia more important, not less. Tunisia's success in developing into a consolidated, stable democratic precedent in the Arab world may be the most important development in the region today. It requires utmost attention and support.

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