

RELATIONS BETWEEN EUROPE AND TUNISIA TURN INTO A GAME OF LIAR'S POKER

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The European Union has offered Tunisia an aid package of \$1bn to strengthen border control. This modest sum not only symbolises Europe's lack of ambition towards its southern Mediterranean neighbours, but also a self-centred policy that fails to address cash-strapped Tunisia's real problems.

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JUNE
2023

The recent visit to Tunisia of the president of the European Commission, Ursula Van der Leyen focused on stemming immigration, in one of the many examples of the European Union struggling to reconcile its policy of protecting the *European way of life*, defending its interests, and upholding the values on which it has been founded. This task is made more difficult by the day in the geopolitical background of tectonic movements and emerging powerful alliances.

In this context, small Tunisia might be seen as easy to bully – sorry, persuade, of the benefits of its “partnership” with the EU. The \$1bn plus in loans and aid which the European Union has offered cash-strapped Tunisia displays a cynicism which does not sit kindly with the EU's stated intentions to promote good economic governance and respect for democracy. President Kais Saied may have little regard for freedom of expression and individual rights but nor do European leaders when they avert their eyes from Christian Europe (Ukraine) to deal with their southern Muslim neighbours. What the EU is offering Tunisia could be compared with the deal which Italian prime minister Giorgia Meloni's ally, the late Silvio Berlusconi cut with the dictator of Libya in 2008, targeting African migrants.

The sum offered to Tunisia needs to be compared with the \$20bn for two years the G7 offered to Tunisia in the spring of 2011, a few months after the fall of Ben Ali. Its modesty symbolises the lack of ambition of Europe towards its southern Mediterranean neighbours and, beyond them, the African continent.

Last Sunday, Ursula Van der Leyden, the Italian prime minister, Giorgia Meloni (whose second visit to Tunis in a week it was) and the Dutch prime minister, Mark Rutte travelled to Tunis to offer Kais Saied the grand total of \$1bn and a promise to take on the role of policemen Turkey has assumed in the eastern Mediterranean.

The EU visit begs two questions. Why was the Swedish prime minister (Sweden is the current president of the Council of the European Union) not included in the delegation? Where was the prime minister of France, which has deep historical and economic links with Tunisia? The absence of prime minister Élisabeth Borne begs the question of whether France has a North African policy or whether it is cynically allowing the EU, Giorgia Meloni and the US Secretary of State Anthony Blinken to make the running on behalf of the International Monetary Fund which has been in protracted negotiations over a \$1.9bn loan to Tunisia since 2021.

The second question is what hides behind the grand sounding \$1bn? The answer is much less than meets the eye. Indeed, the EU offered to treble the \$105m worth of grants currently on offer to support the country's management of its borders and add a sweetener of \$150m "right now" to help "break the business model of smugglers and traffickers" – in other words, stop sub-Saharan and an increasing number of Tunisians from attempting the short but dangerous sea passage to southern Italian shores. Immigrants reaching Italian shores, many of them in boats leaving Tunisia, have more than doubled to nearly 54,000 since the beginning of 2023. Giorgia Meloni is showing signs of panic.

The problems which affect Tunisia are deeply entrenched in domestic politics, a neo-patrimonial state and elites which use state regulations to prevent competition and deny younger entrepreneurs' entry into what sometimes resembles a mafia. Tunisia's relationship with the IMF, the World Bank and the European Union are unproductive, some would argue destructive.

The other part of the package is predicated on Tunisia accepting IMF mandated conditions, something Kais Saied has set his mind against. Cutting energy subsidies drastically or privatising state companies would damage his popularity. The president has never shown any interest in addressing the deep flaws of a corporatist economy beyond denouncing corruption. "Corrupt" businessmen now sit in prison alongside bona fide defenders of human rights. His words ring even hollower to Tunisians who are faced with growing shortages of staple foods.

But, what of the IMF reforms? If one slogan symbolised the revolt of 2011, which toppled Ben Ali and spread like wildfire across the Middle East it was: "work is a right, you band of thieves." In the two decades prior to the uprising, the IMF and World Bank narrative – posted on the latter's website until mid-December 2010 when the revolt started, was that the country was experiencing high growth and poverty reduction after having closely followed the script of structural adjustment better known

as the Washington Consensus. Both organisations used their lending to Tunisia (Structural Adjustment Program 1986-1992), followed by loan programs after 2013 to promote policies of liberalisation, deregulation and privatisation which has entrenched the interests of a corrupt elite.

The profound impact of these policies on the well-being of Tunisian households unsurprisingly provoked resistance as ordinary people witnessed their economic conditions deteriorating. Many were distressed by the way in which the cost of austerity was distributed. The pain was felt most acutely in the poor hinterland, where the revolt started in 2010, and in the poor suburbs of Tunis.

The neo-liberal reworking of the Tunisian economy has been conducted, since it was initiated in 1986, with a view to integrating the country into the EU's economic system. The IMF makes this framework explicit in its consideration of Tunisia's balance of payments and always has. It has all along strongly promoted the country's trade opening to Europe. But its development policies have done little to improve employment prospects or increase economic growth. Most of the policies it insisted upon were designed to meet international (almost exclusively European) market demands – what Brussels calls, in its nakedly Orwellian jargon its “normative power”.

Over the last decade, Tunisian foreign debt, which now amounts to 94% of GDP has doubled without significant positive effect on investment or economic growth.

Meanwhile, in Washington, on 29 April 2023, the US National Security Advisor Jake Sullivan declared the Washington Consensus “dead”. But who is to bear the cost of this agenda imposed on so many African and Middle Eastern countries by the IMF and the World Bank for more than a generation?

The problems which affect Tunisia are deeply entrenched in domestic politics, a neo-patrimonial state and elites which use state regulations to prevent competition and deny younger entrepreneurs' entry into what sometimes resembles a mafia. Tunisia's relationship with the IMF, the World Bank and the European Union are unproductive, some would argue destructive. The debt problem is now compounded by the hikes in US and EU interest rates as the country's debt is denominated in US dollars and Euros and made worse by the EU's offshore migration policy.

Today, the western media are full of the sound and fury of the war in Ukraine. As after the collapse of the Soviet Union in 1991, EU's political leaders are focused on eastern Europe and incapable of strategic thinking vis a vis North Africa and Africa, despite centuries-old ties of history, economics, and trade, not to mention millions of human beings who have, so to speak, a foot on each shore.

They have forgotten if they ever understood them, the words of the former Director General of the IMF, Dominique Strauss-Kahn who, a quarter of a century ago, argued that Europe had no future if the Mediterranean did not become “a European sea.” Despite the populism which prevails on both shores of the Mediterranean, small Tunisia deserves better than a game of liar's poker.