



# THE ARAB SPRING

## An Assessment Three Years On

Front Cover Images (clockwise from top left): Anti-government protesters gather during a rally demanding the ousting of Yemen's President Ali Abdullah Saleh, outside Sanaa University on 17 March 2011 © yemenmujaz; A man takes to a traffic lights post in El Tahrir Square, Cairo, to wave the Egyptian flag high above the crowd on 1 February 2011 © ramihalim/istockphoto.com; Demonstrations in Lebanon triggered by the assassination of the former Lebanese Prime Minister Rafik Hariri on 14 February 2005 © Elie Ghobeira; At an anti-Qaddafi demonstration in El Tahrir Square, Cairo, Libyan and Egyptian flags are held high on 25 February 2011 © jcarillet/istockphoto.com; and Tunisian people demonstrating for freedom after the Jasmin Revolution in the city centre of Tunis on 20 April 2011 © EnginKorkmaz/istockphoto.com.

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**OLIVIER GUITTA, EMILY DYER, ROBIN SIMCOX,  
HANNAH STUART and RUPERT SUTTON**

# The Henry Jackson Society

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# Executive Summary

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The self-immolation of a disenfranchised Tunisian fruit vendor in December 2010 inspired the wave of popular protests across the Middle East and North Africa known as the Arab Spring. Citizens from across the countries featured in this report called for the removal of authoritarian regimes in unprecedented numbers. While many now enjoy previously unavailable freedoms, analysis of each country's economic, political, social and security indicators over the past three years suggests that this has come at a cost.

## LEBANON – A Pre-Cursor to the Arab Spring

- **Lebanon's Cedar Revolution** in 2005 bore many similarities to the Arab Spring uprisings; and the country's subsequent trajectory suggests that, in some circumstances, post-revolutionary instability can be overcome. Economic recovery, evident by early 2008, was echoed by improvements to both the political and security situation in the following years.
- Since the outbreak of the conflict in Syria in 2011, however, economic recovery has faltered and political violence has begun again as militants have exported the war into Lebanon. The effect of Syria on Lebanon arguably demonstrates regional vulnerability to destabilising spill-over from proximate conflicts.

## TUNISIA

- **Economy:** Following revolution and recession in 2011, Tunisia's economic recovery has been sluggish. Expansionary fiscal policies were pursued to stimulate growth, but the policy buffers have been reached: growth is slower than anticipated; and public spending is increasingly outstripping income.
- **Politics:** While political freedoms brought increased polarisation, the new constitution evidences the country's consensual, rather than unilateral, approach to reform. Tunisia also saw the only voluntary ceding of power by a ruling Islamist party during the Arab Spring.

- **Social:** Previously closed-off areas of public life, notably a free press, are now legally protected in a constitution praised for its progressiveness. Unemployment and regional disparities, however, widely seen as preventing social mobility and among the drivers of revolution, continue to fuel popular discontent.
- **Security:** Internal security has deteriorated markedly: increased political freedom ignited religious extremism and fundamentalist violence; and external factors such as deteriorating stability in Libya and the expansion of al-Qaeda in the Islamic Maghreb present additional security challenges.

## EGYPT

- **Economy:** The 2011 revolution brought the Egyptian economy to its lowest point in decades. Acute civil unrest and political instability led to a sharp decrease in growth and foreign reserves, largely due to a drop in confidence among tourists and investors.
- **Politics:** Egypt has experienced several waves of political instability following the revolution, leading to the ousting of its first democratically elected party and a deeply polarised political system. While maintaining an increased level of political stability, the new interim government is continuing to curb many political freedoms.
- **Social:** The revolution brought a deterioration of existing democratic freedoms and human rights in Egypt. Women faced further political marginalisation and sexual violence and the reported rate of attacks against Christians rose significantly.
- **Security:** The 2011 revolution had a weakening effect on Egyptian security apparatus, allowing terrorist groups to increase and broaden their attacks both along the Sinai Peninsula and throughout wider Egypt.

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## YEMEN

- **Economy:** Yemen's economy is extremely uncompetitive, and unemployment, poverty and illiteracy all remain high. Sabotage of critical economic infrastructure by tribal groups is also common.
- **Politics:** The National Dialogue Conference, while boycotted by certain key actors, did lead to the agreement on a unified, federal state. However, political and social schisms remain rife and federal and local elections are now unlikely to take place until 2015 at the earliest.
- **Social:** Little progress has been made on improving human rights in Yemen, with civil liberties arguably deteriorating further since the beginning of the Arab Spring.
- **Security:** Al-Qaeda in the Arabian Peninsula has grown in size since the beginning of the Arab Spring, and controlled territory following the outbreak of the 2011 protests. However, it has also seen two of its significant figures – Anwar al-Awlaki and Said al-Shehri – killed. Elsewhere, the Southern Movement retains a good deal of popular support; and the influence of the insurgent Houthi rebels has expanded.

## LIBYA

- **Economy:** Libya relies on oil for 90% of its GDP. As a result of strikes and insecurity, oil production fell by 80% from an average of 1.5 million barrels per day to 250,000. Therefore, the expected GDP per capita in 2013 is still below the level it was in 2010.

- **Politics:** While democratisation started well with regular elections, 60% voter turnout and the restructuring of the old political elite, this is now largely irrelevant as the militias are de facto in charge of the country and the government is effectively powerless.
- **Social:** The first year of the revolution resulted in a clear deterioration in the living conditions of the Libyan people. Furthermore, the current human rights landscape and the continuing lack of women's rights offer a bleak outlook.
- **Security:** Human security remains the country's biggest post-revolution challenge. Libya underwent a violent civil war and the fighting did not stop with former leader Muammar Gaddafi's death. In fact, terrorist attacks, violence and theft are now widespread.

The collective and transformative power of popular protest evident in the Arab Spring should not be underestimated. Large sections of the world's most authoritarian region demanded genuine political representation; demonstrations were notable for high rates of youth and female participation; and subsequent elections saw high voter turn-outs. For many, however, developments over the last three years have not lived up to early aspirations and popular discontent is still very much in existence. In all of the countries in this report, to a greater or lesser extent, meaningful progress has been accompanied by economic woes, political polarisation and decreased internal security. Across the region, long-awaited democratic transition has not only been turbulent, but in many cases, remains incomplete.



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# Contents

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<b>Introduction</b>	<b>3</b>
<b>Lebanon's Arab Spring: The Cedar Revolution Nine Years On</b>	<b>5</b>
<b>Tunisia's Turbulent Transition</b>	<b>15</b>
<b>Egypt's Permanent Revolution</b>	<b>31</b>
<b>Yemen: Reversing its Downward Spiral?</b>	<b>43</b>
<b>Libya: A Failed State in the Making?</b>	<b>55</b>
<b>Conclusion</b>	<b>69</b>





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# Introduction

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Since the overthrow of dictators like Libya's Muammar Gaddafi and Egypt's Hosni Mubarak, the Arab Spring has allowed many to experience a standard of political rights previously unheard of, yet has been accompanied by spiralling economic decline, political instability, and increased violence.

This collection of essays examines that trade-off in Tunisia, Libya, Egypt and Yemen, assessing both the progress made following revolution and the extent of the damage done to society. It opens with analysis of an earlier uprising in the region, Lebanon's Cedar Revolution, and asks whether developments which followed indicate precedent for overcoming revolution's innate instability.

In Tunisia, the birthplace of the Arab Spring, sluggish economic recovery and deteriorating internal security is contrasted with consensual reform and progressive constitutional change, while Libya

sees worsening economic, social and security problems driven by militia-led politics.

Analysis of Egypt, the most powerful Arab Spring country, charts economic decline, significant political instability and a deterioration of human rights and political freedoms, all accompanied by a steadily growing terrorist threat. In Yemen, meanwhile, an already failing state has seen economic and security woes worsen, with the National Dialogue Conference in 2013 unable to mend deep political and social schisms.

Ongoing instability following the Arab Spring has led many to question the extent to which life is better or worse for people living in the region. By examining economic, political, social and security indicators, these essays attempt to answer this question, and to provide an accurate assessment of the Arab Spring three years on.



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# **Lebanon's Arab Spring: The Cedar Revolution Nine Years On**

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**RUPERT SUTTON**

## GDP (real growth rate)

2012: +1.3% (World Bank)  
 2011: +3.0%  
 2010: +7.0%  
 2009: +8.5%  
 2008: +9.2%  
 2007: +7.5%  
 2006: +0.6%  
 2005: +1.0%

## GDP per capita (current US\$)

2012: \$14,372 (World Bank)  
 2011: \$14,064  
 2010: \$13,520  
 2009: \$12,761  
 2008: \$11,841  
 2007: \$10,748  
 2006: \$9,882  
 2005: \$9,753

## Unemployment

2011: 5.83% (Trading Economics)  
 2010: 6.02%  
 2009: 5.36%  
 2008: 8.98%  
 2007: 6.47%  
 2006: 7.21%  
 2005: 7.85%

## Inflation rate (consumer prices)

2013: 6.30% (IMF/WEO)  
 2012: 6.57%  
 2011: 4.99%  
 2010: 4.48%  
 2009: 1.21%  
 2008: 10.76%  
 2007: 4.06%  
 2006: 5.57%  
 2005: -0.72%

## Exchange rate (LBP/USD)

2012: \$1507.50 (World Bank)  
 2011: \$1507.50  
 2010: \$1507.50  
 2009: \$1507.50  
 2008: \$1507.50  
 2007: \$1507.50  
 2006: \$1507.50  
 2005: \$1507.50

## Long-term credit rating

May 2013: B1 Negative (Moody's Ratings)  
 April 2010: B1 Stable  
 Dec 2009: B2 Positive  
 April 2009: B2 Stable  
 Dec 2008: B3 Positive  
 March 2008: B3 Stable  
 Nov 2006: B3 Negative  
 May 2006: B3 Stable  
 March 2005: B3 Stable

## GDP by origin industry

2012: Services, 73.4%; Industry, 20.5%; Agriculture, 6.1% (World Bank)  
 2011: Services, 73.5%; Industry, 20.6%; Agriculture, 5.9%  
 2010: Services, 71.2%; Industry, 23.2%; Agriculture, 5.6%  
 2009: Services, 70.4%; Industry, 23.4%; Agriculture, 6.2%  
 2008: Services, 71.3%; Industry, 21.8%; Agriculture, 6.9%  
 2007: Services, 71.0%; Industry, 21.9%; Agriculture, 7.1%  
 2006: Services, 72.6%; Industry, 20.2%; Agriculture, 7.2%  
 2005: Services, 72.4%; Industry, 21.3%; Agriculture, 6.3%

## Exports of goods and services (%GDP)

2012: 29% (World Bank)  
 2011: 32%  
 2010: 22%  
 2009: 21%  
 2008: 24%  
 2007: 23%  
 2006: 21%  
 2005: 21%

## Imports of goods and services (%GDP)

2012: 49% (World Bank)  
 2011: 50%  
 2010: 50%  
 2009: 48%  
 2008: 53%  
 2007: 48%  
 2006: 42%  
 2005: 43%

## Exports of goods and services (current US\$)

2012: \$12.31 billion (World Bank)  
 2011: \$12.93 billion  
 2010: \$8.23 billion  
 2009: \$7.15 billion  
 2008: \$7.35 billion  
 2007: \$5.78 billion  
 2006: \$4.77 billion  
 2005: \$4.38 billion

## Imports of goods and services (current US\$)

2012: \$21.15 billion (World Bank)  
 2011: \$20.04 billion  
 2010: \$18.64 billion  
 2009: \$16.76 billion  
 2008: \$16.08 billion  
 2007: \$12.07 billion  
 2006: \$9.46 billion  
 2005: \$9.31 billion

## Total reserves (includes gold, current US\$)

2012: \$52.53 billion (World Bank)  
 2011: \$47.86 billion  
 2010: \$44.48 billion  
 2009: \$39.13 billion  
 2008: \$28.27 billion  
 2007: \$20.60 billion  
 2006: \$19.24 billion  
 2005: \$16.62 billion

## General government gross debt (%GDP)

2013: 143.1% (est.) (IMF/WEO)  
 2012: 139.5%  
 2011: 137.5%  
 2010: 141.7%  
 2009: 147.6%  
 2008: 158.4%  
 2007: 168.4%  
 2006: 181.9%  
 2005: 179.4%

## Current account balance (%GDP)

2013: -16.7% (est.) (IMF/WEO)  
 2012: -16.2% (est.)  
 2011: -12.4% (est.)  
 2010: -9.9%  
 2009: -9.3%  
 2008: -7.7%  
 2007: -4.1%  
 2006: -2.8%  
 2005: -13.6%

## Crude-oil production, NGPL, and other liquids (thousand barrels per day)

2012: Unspecified (US Energy Information Administration, EIA)  
 2005-2011: 0

## Electricity production

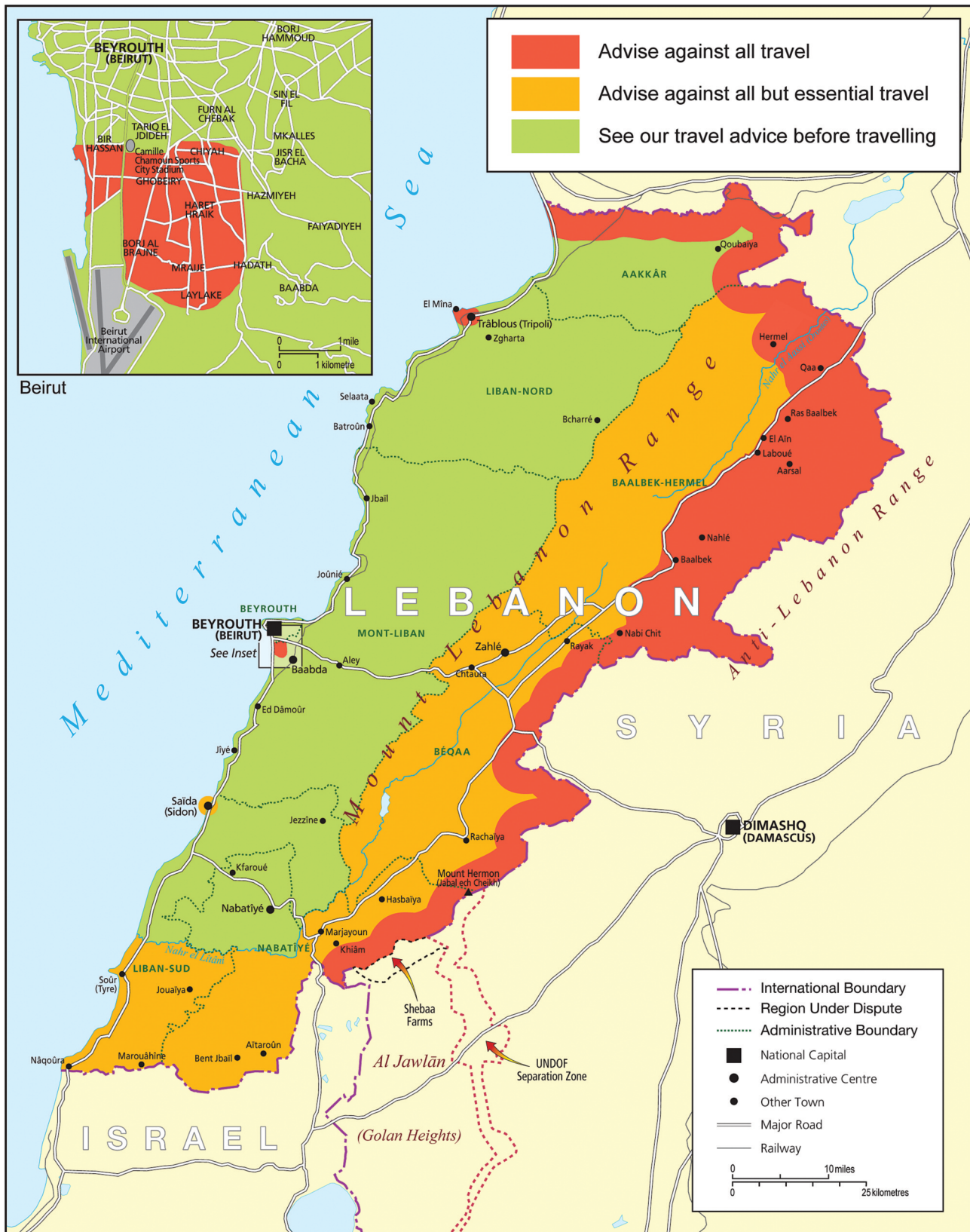
2011: 16.37 billion kilowatt hours (kWh) (World Bank)  
 2010: 15.71 billion kWh  
 2009: 13.77 billion kWh  
 2008: 13.36 billion kWh  
 2007: 12.07 billion kWh  
 2006: 11.61 billion kWh  
 2005: 12.43 billion kWh

## Tourist arrivals

2011: 1.65 million (World Bank)  
 2010: 2.17 million  
 2009: 1.84 million  
 2008: 1.33 million  
 2007: 1.02 million  
 2006: 1.07 million  
 2005: 1.14 million



## FCO Lebanon map – <sup>1</sup> last updated: 19 February 2014



Source: UK Government Foreign & Commonwealth Office

FCO 301 Edition 13 (February 2014) © Crown Copyright 2014

<sup>1</sup> 'Foreign travel Lebanon – Summary', UK Government Foreign & Commonwealth Office, available at: <https://www.gov.uk/foreign-travel-advice/lebanon>.

### **Introduction**

With the anniversaries of many of the major events seen during the Arab Spring revolutions across the Middle East and North Africa approaching in early 2014, much of the optimism which accompanied them has long since faded. As the other essays in this report demonstrate, increased economic volatility; political instability; and street violence have been a feature of the revolutions, while, in Syria, an ongoing civil war has killed over 120,000 people and is driving the growth of sectarian violence in Iraq and Lebanon.<sup>2</sup> Despite this pessimistic outlook, though, it is still too early to predict the failure of revolution in the Arab Spring countries. This introductory essay instead suggests that, given time, this instability can be overcome, and does this by examining the economic; political; and security developments which followed an earlier uprising in the region.

The Intifadat al-Istiqlal, or Cedar Revolution, in Lebanon bears many similarities to those which took place across the region in 2010-2011. Demonstrations following the 14 February 2005 assassination of the former Prime Minister, Rafic Hariri, brought hundreds of thousands onto the streets and resulted in the resignation of Prime Minister Omar Karami; the formation of a new government, following free elections; and the withdrawal of Syrian troops from Lebanon. Despite being followed by economic decline, political instability, and violence – as currently experienced by those countries which saw Arab Spring revolutions – Lebanon's economy was able to recover, while an agreement reached in Doha, in May 2008, ended open street fighting between political factions and enabled a deeply polarised political system to function again with relative stability. By 2011, the overt influence of Damascus had faded and the country had seen four years of significant GDP growth, suggesting that – with time – the upheaval of revolutions in the region may be replaced with stability, under more accountable government.

This optimism is likely to be tempered, however, by the fact that, today, Lebanon is once again facing economic decline; political paralysis; and increasing

paramilitary violence, all driven by the conflict in Syria. This threatens the fragile progress made since 2008, and it can be argued that the political polarisation exacerbated by the Cedar Revolution has left Lebanon more vulnerable to political division. If this is the case, then it may be that, even if stability is achieved, the Arab Spring countries will continue to exhibit a similar susceptibility in future.

### ***The Cedar Revolution and the Arab Spring***

On 14 February 2005, a massive car bomb exploded on Beirut's Rue Minet el Hos'n, killing former Lebanese Prime Minister Rafic Hariri and 22 other people. In the week following the bombing, up to 20,000 people marched from the scene of his death to Beirut's Martyrs' Square,<sup>3</sup> chanting slogans blaming the Damascus government for Hariri's assassination, and calling for a withdrawal of Syrian troops from the country.<sup>4</sup> Protests continued in the days following this, regularly drawing over 20,000 people, while a tent city called 'Camp Freedom' was set up in Martyrs' Square.<sup>5</sup> Demonstrators also called for the resignation of the pro-Syrian government led by Omar Karami, and criticised the pro-Syrian President, Emile Lahoud (whose term had been extended by three years, following pressure from Damascus).<sup>6</sup>

Prime Minister Karami resigned on 28 February (though was reappointed by President Lahoud, to form a unity government, on 10 March).<sup>7</sup> By this time, the under-pressure Syrian President, Bashar al-Assad, had announced that all Syrian troops would withdraw from Lebanon by the end of April 2005.<sup>8</sup> Despite counter-demonstrations in support of Damascus, when up to 500,000 people gathered to watch Hezbollah's Hassan Nasrallah speak,<sup>9</sup> opposition to

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<sup>3</sup> 'The Cedar Revolution', *NOW*, available at: <https://now.mmedia.me/lb/en/archive/The-Cedar-Revolution169>.

<sup>4</sup> 'Beirut protesters denounce Syria', *BBC News*, 21 February 2005, available at: [http://news.bbc.co.uk/1/hi/world/middle\\_east/4283543.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4283543.stm).

<sup>5</sup> 'The Cedar Revolution', op. cit. (footnote 3).

<sup>6</sup> 'Lebanon – 2005', *Freedom House*, available at: [http://www.freedomhouse.org/report/freedom-world/2005/lebanon#.Us\\_ekfRdVQg](http://www.freedomhouse.org/report/freedom-world/2005/lebanon#.Us_ekfRdVQg).

<sup>7</sup> 'Pro-Syrian Lebanese PM re-appointed', *The Guardian*, 10 March 2005, available at: <http://www.theguardian.com/world/2005/mar/10/syria.jamessturcke>.

<sup>8</sup> 'Assad pledges Lebanon withdrawal', *BBC News*, 2 March 2005, available at: [http://news.bbc.co.uk/1/hi/world/middle\\_east/4310699.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4310699.stm).

<sup>9</sup> 'Syria Supporters Rally in Lebanon', *The Washington Post*, 9 March 2005, available at: <http://www.washingtonpost.com/wp-dyn/articles/A16165-2005Mar8.html>.

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<sup>2</sup> 'Death toll in Syria likely as high as 120,000: group', *Reuters*, 14 May 2013, available at: <http://uk.reuters.com/article/2013/05/14/us-syria-crisis-deaths-idUSBRE94 D0L420130514>.

Karami continued, and, on 14 March, over 800,000 people marched on Martyrs' Square.<sup>10</sup> A month later, with protests continuing and politicians failing to agree on the formation of a unity government, Karami resigned for a second time, before elections due on 31 May. These elections, declared by the UN Security Council to be "fair and credible", began on 29 May and concluded on 19 June – in a clear victory for an anti-Syrian coalition between Hariri's son's, Saad's, Future Movement and the Progressive Socialist Party (PSP), which formed a government under Prime Minister Fouad Siniora.<sup>11</sup>

While the Arab Spring protests of 2011 may have focused on oppressive domestic regimes, and particularly individuals such as Muammar Gaddafi and Hosni Mubarak, a parallel between the Arab Spring protests and the Lebanese uprising against the Syrian regime and its supporters in Lebanon can immediately be drawn. In the development of tented protest communities, like 'Camp Freedom', and the vast numbers of often secular middle-class protesters who occupied the streets, the protests of the Cedar Revolution mirrored and arguably inspired those seen in Tahrir Square. Similarly, the call for the resignation of unpopular leaders Lahoud and Karami were no different to the slogans shouted in Tunis and Cairo. The mass protest of those supportive of the ruling government was also seen – though it did not turn violent in 2005, as some later did during the Arab Spring. In addition to these factors, the fall of the Karami government within two months of the protests beginning, and the establishment of an opposition government through democratic means were similar to the processes which saw the Muslim Brotherhood parties, Ennahda and the Freedom and Justice Party (FJP), elected in Tunisia and Egypt, respectively.

What is also clear, though, is that, despite the relatively auspicious beginnings of the Cedar Revolution, Lebanon soon began to experience many of those problems now facing Tunisia; Libya; Egypt; and Yemen, following the revolutions in these

countries. The economic impact, political polarisation, and security implications that can be seen today in all of these countries could also be documented in Lebanon in the three years following the assassination of Rafic Hariri, and this essay will now examine these in more detail. In each section, it will then document the recoveries seen in these sectors from 2008 onwards, before detailing the decline which has begun to be apparent since the start of the Syrian Civil War in late 2011.

## Economy

The strength of a country's economy is perhaps the most important indicator of its success, and, as with the Arab Spring nations, the aftermath of revolution saw Lebanon's economy suffer. Unlike Libya and Yemen, however, Lebanon did not see its economy shrink during the years following the revolution, with GDP growth maintained.<sup>12</sup> However, the revolution still had a damaging effect, with GDP-growth figures of 7.4% in 2004 falling to 1% in 2005 and just 0.6% in 2006.<sup>13</sup> During the same period, consumer-price inflation, shrinking by 0.7% in 2005, grew to 5.6% in 2006, before hitting 10% in 2008,<sup>14</sup> while the country's debt-to-GDP ratio rose fast: from 167% at the end of 2004, to 182% in 2006.<sup>15</sup>

The uprising also had a damaging effect on the Lebanese tourism industry, one of its most important sectors. A favourite holiday destination for visitors from the Gulf, the country had seen visitor numbers increase year-on-year between 1997 and 2004. However, from 1,278,000 visitors in 2004, the number of incoming tourists fell to 1,017,000 in 2007: a drop of 20.5%, which coincides with the worst of the instability brought on by the Cedar Revolution.<sup>16</sup> In December 2006,

<sup>12</sup> This is compared to Yemen, which saw GDP growth of 7.7% in January 2011 replaced with a 10.5% decrease in January 2012 (See: 'Yemen GDP Annual Growth Rate', *Trading Economics*, available at: <http://www.tradingeconomics.com/yemen/gdp-growth-annual>), and Libya, where GDP growth had fallen by 60% in January 2012 (See: 'Libya GDP Annual Growth Rate', *Trading Economics*, available at: <http://www.tradingeconomics.com/libya/gdp-growth-annual>).

<sup>13</sup> 'Lebanon – World Development Indicators', The World Bank Group, available at: <http://data.worldbank.org/country/lebanon>.

<sup>14</sup> 'Inflation, average consumer prices', International Monetary Fund, available at: <https://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weorept.aspx?sy=2005&ey=2018&scsm=1&ssd=1&sort=country&ds=.&br=1&pr1.x=78&pr1.y=15&c=446&s=PCIPCH%2CPCIEPCH&grp=0&a=>.

<sup>15</sup> 'General government gross debt', International Monetary Fund, available at: [https://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weorept.aspx?pr.x=75&pr.y=8&sy=2004&ey=2018&scsm=1&ssd=1&sort=country&ds=.&br=1&c=446&s=GGXWDN\\_NGDP%2CGGXWDG\\_NGDP&grp=0&a=](https://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weorept.aspx?pr.x=75&pr.y=8&sy=2004&ey=2018&scsm=1&ssd=1&sort=country&ds=.&br=1&c=446&s=GGXWDN_NGDP%2CGGXWDG_NGDP&grp=0&a=).

<sup>16</sup> 'International tourism, number of arrivals: Lebanon', The World Bank Group, available at: <http://data.worldbank.org/indicator/ST.INT.ARVL?page=1>.

<sup>10</sup> "Record" protest held in Beirut', *BBC News*, 14 March 2005, available at: [http://news.bbc.co.uk/1/hi/world/middle\\_east/4346613.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4346613.stm).

<sup>11</sup> See: Annan, K., 'Letter dated 26 October 2005 from the Secretary-General addressed to the President of the Security Council', United Nations Security Council (2005), pp. 3 & 7, available at: [http://www.un.org/en/ga/search/view\\_doc.asp?symbol=S/2005/673](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/2005/673).



following political unrest caused by multiple ministerial resignations and the assassination of Pierre Gemayel,<sup>17</sup> the Head of the Lebanese Hotel Association claimed that hotel occupancy was at just 25% during a period of the year when the country was expecting up to 400,000 visitors.<sup>18</sup> At the same time, international-tourism receipts as a percentage of exports fell from 45.1% in 2004, to just 28.5% in 2008.<sup>19</sup>

The damage that the Cedar Revolution caused to the country's tourism industry was also reflected elsewhere in the wider economy, as strikes called by the Hezbollah-led opposition; political deadlock; and violence all damaged business confidence. The manufacturing sector's growth, which had shown a steady rise since 2001, fell from 8.3% in 2004, to -0.1% in 2005 and -6.7% in 2006. Aside from 7.2% growth in 2007, likely caused by reconstruction work following the war between Israel and Hezbollah in 2006, the industry continued to shrink following this: contracting by 6.3% in 2008, and 4.2% in 2009.<sup>20</sup> This was accompanied by a fall in energy production: from 240.5 kiloton equivalent (kte) in 2004, to 177.3kte in 2008 – though it is likely that a proportion of this was also caused by damage to facilities during the 2006 conflict.<sup>21</sup> One knock-on effect of this can be seen in the unemployment figures (with those out of work rising from 7.9% of the population in 2004, to 8.9% in 2007).<sup>22</sup>

By late 2007-2008, however, the Lebanese economy was beginning to recover from the effects of the Cedar Revolution (with GDP growth measured at 7.5%, and then showing strong growth in 2008; 2009; and 2010).<sup>23</sup> Inflation also fell from the high point reached in 2008, falling back to a low of 1.2% in 2009 and 4.5% in 2010,<sup>24</sup> while government debt fell to 142% of GDP by 2010.<sup>25</sup> Following the signing of the Doha Agreement, the Lebanese tourism industry also began

to recover significantly (with 2008 the first year to see visitor numbers rise since 2004, and 2010 seeing more than 2 million visitors).<sup>26</sup> Meanwhile, in January 2010, Lebanon's tourism chief, Nada Sardouk, claimed that the country's hotels had seen "80% to 90% hotel occupancy this year [2009]",<sup>27</sup> suggesting that these visitors were staying in the country rather than travelling onwards. International-tourism receipts as a percentage of exports also rose, to reach 39.2% in 2010, while a return to sustained growth was also present in the manufacturing sector between 2010 and 2012. All this was likely to have contributed to an accompanying fall in unemployment: down from 9% in 2008, to 5.8% in 2011.<sup>28</sup>

Despite this recovery, though, as with the years following the Cedar Revolution, the knock-on effect of the conflict in Syria has also been felt by the Lebanese economy, and GDP growth particularly has slowed dramatically. While the economy is yet to experience negative growth, the figures have fallen from 7% growth in 2010, to 3% in 2011, and just 1.3% in 2012.<sup>29</sup> Inflation also appears to be rising again, reaching 6.3% in 2013.<sup>30</sup> The tourism industry has also suffered, as members of the Gulf Cooperation Council (GCC) have warned their citizens against travel to Lebanon, and, in some cases, have advised those present there to leave.<sup>31</sup> Figures for the number of visitors entering the country, as well as for international-tourism receipts as a percentage of exports, are not available for 2012-2013; yet, by the end of 2011, both had also fallen significantly from the previous year. In June 2013, Lebanon's Tourism Minister stated the president of Lebanon's Syndicate of Hotel Owners claimed that hotel occupancy was down 30% from the previous year.<sup>32</sup>

<sup>17</sup> 'Lebanese Christian leader killed', *BBC News*, 21 November 2006, available at: [http://news.bbc.co.uk/1/hi/world/middle\\_east/6169606.stm](http://news.bbc.co.uk/1/hi/world/middle_east/6169606.stm).

<sup>18</sup> 'Protests blow to Beirut economy', *BBC News*, 8 December 2006, available at: [http://news.bbc.co.uk/1/hi/world/middle\\_east/6162941.stm](http://news.bbc.co.uk/1/hi/world/middle_east/6162941.stm).

<sup>19</sup> 'Lebanon – World Development Indicators', op. cit. (footnote 13).

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> 'Lebanon – World Development Indicators', op. cit. (footnote 13).

<sup>24</sup> 'Inflation, average consumer prices', op. cit. (footnote 14).

<sup>25</sup> 'General government gross debt', op. cit. (footnote 15).

<sup>26</sup> 'International tourism, number of arrivals: Lebanon', op. cit. (footnote 16).

<sup>27</sup> Stoddart, V., 'Beirut is reborn as a glitzy playground for tourists', *USA Today*, 22 January 2010, available at: [http://usatoday30.usatoday.com/travel/destinations/2010-01-21-beirut-bounces-back\\_N.htm](http://usatoday30.usatoday.com/travel/destinations/2010-01-21-beirut-bounces-back_N.htm).

<sup>28</sup> 'Lebanon – World Development Indicators', op. cit. (footnote 13).

<sup>29</sup> Ibid.

<sup>30</sup> 'Inflation, average consumer prices', op. cit. (footnote 14).

<sup>31</sup> See: 'GCC states issue Lebanon travel warning', *Al Arabiya News*, 6 June 2013, available at: <http://english.alarabiya.net/en/News/middle-east/2013/06/06/GCC-states-issue-Lebanon-travel-warning.html>. See also: 'Saudi Arabia urges citizens to leave Lebanon', *The Daily Star*, 21 November 2013, available at: <http://www.dailystar.com.lb/News/Lebanon-News/2013/Nov-21/238559-saudi-arabia-calls-on-citizens-to-leave-lebanon.ashx#axzz2qMnjWG1H>.

<sup>32</sup> 'Syrian Bombs Empty Lebanese Tables as Conflict Hits Tourism', *Bloomberg*, 6 June 2013, available at: <http://www.bloomberg.com/news/2013-06-05/syrian-bombs-empty-lebanese-tables-as-war-hits-tourism-mainstay.html>.

## Politics

The similarity between the economic troubles experienced by the Arab Spring countries and Lebanon following the Cedar Revolution are also mirrored in the political polarisation that followed the uprising. Echoing the ongoing divide between Islamist and secular groups in Egypt and Tunisia, this dispute had its roots in pre-existing political fault lines, yet had been exacerbated by the 2005 uprising. Support or opposition to Syrian influence in Lebanon, the ideological focus point of both the Cedar Revolution and of Lebanese politics after the civil war, still existed; yet, the revolution had made power-sharing politics a more zero-sum game. When the anti-Syrian parties, known as the 'March 14 Coalition', had come to power following the Cedar Revolution, they had allowed the pro-Syrian March 8 Coalition opposition few Ministers in the cabinet. This had left Christians in the Free Patriotic Movement; Phalange; Baath; and Syrian Social Nationalist parties on the sidelines,<sup>33</sup> and in a situation in which a significant proportion of the population now felt underrepresented. As such, despite the election victory won by the Future Movement and its supporters in 2005, the opposition continued to call for a unity government in which it would have a veto,<sup>34</sup> undermining political stability and ensuring ongoing unrest.

This divide was further exacerbated by the creation of the UN Special Tribunal investigating Hariri's assassination, which was strongly opposed by Hezbollah and the Syrian government.<sup>35</sup> Similar to the political disputes over the religious extent of the new constitution in Tunisia, or the conflict between the Muslim Brotherhood and the judiciary or armed forces in Egypt, opponents of the process were willing to make the Lebanese government collapse (with all five Shia ministers resigning in November 2006, to try and prevent the passage of the tribunal draft bill).<sup>36</sup> Driven by political difference rather than confessional

fault lines, as demonstrated by the presence of the pro-Syrian Christian Free Patriotic Movement siding with Hezbollah, the polarisation that these issues caused was deeply destabilising. When President Lahoud's extended term of office ended in November 2007, no consensus candidate could be found to replace him, and Siniora's cabinet was forced to take on Presidential powers.<sup>37</sup> After nearly 18 months of paralysing demonstrations, heavy street fighting broke out in May 2008, before agreement in Doha saw the opposing factions begin to compromise.

Despite facing similar political instability to that currently experienced by the Arab Spring nations, the advances made by Lebanon, from 2008 onwards, show that the country had begun to recover from the revolution, before violence in Syria started to generate security; political; and economic problems once more. Perhaps most significant was the improvement in political and civil rights which followed the Cedar Revolution and lasted until the beginning of the Arab Spring. This was exemplified by *Freedom House* changing the country's rating from 'Not Free' in 2005, to 'Partly Free' in 2006, something which Lebanon has maintained to 2013. The 'Freedom Rating' awarded by the NGO also changed significantly in the years following the Cedar Revolution: improving from 5.5 in 2005, to 4.0 in 2011.<sup>38</sup> This was accompanied by movements to end arbitrary detention and torture, with *Freedom House* declaring in 2011 that the "security forces' practice of arbitrary detention has declined since 2005, though isolated incidents still occur", and that "the government has made some progress toward ending torture since 2007".<sup>39</sup>

As well as this, the country's divisive and confrontational political environment, while still apparent in the positions taken on the UN Special Tribunal's investigation into the assassination of Rafic Hariri,<sup>40</sup> ceased to have such a damaging effect. This

<sup>33</sup> 'Security tops new Cabinet's to-do list', *The Daily Star*, 21 July 2005, available at: <http://www.dailystar.com.lb/News/Lebanon-News/2005/Jul-21/5090-security-tops-new-cabinets-to-do-list.ashx#axzz2qMmjWG1H>.

<sup>34</sup> 'Hezbollah's Leader Calls for Street Protests', *The New York Times*, 20 November 2006, available at: [http://www.nytimes.com/2006/11/20/world/middleeast/20lebanon.html?\\_r=0](http://www.nytimes.com/2006/11/20/world/middleeast/20lebanon.html?_r=0).

<sup>35</sup> 'US issues Lebanon "plot" warning', *BBC News*, 1 November 2006, available at: <http://news.bbc.co.uk/1/hi/world/americas/6107224.stm>.

<sup>36</sup> 'Hezbollah ministers quit cabinet', *BBC News*, 12 November 2006, available at: [http://news.bbc.co.uk/1/hi/world/middle\\_east/6139730.stm](http://news.bbc.co.uk/1/hi/world/middle_east/6139730.stm).

<sup>37</sup> 'Siniora says Cabinet assumes presidential powers', *Gulf News*, 24 November 2007, available at: <http://m.gulfnews.com/siniora-says-cabinet-assumes-presidential-powers-1.213778>.

<sup>38</sup> See: 'Lebanon – 2005', op. cit. (footnote 6). See also: 'Lebanon – 2011', *Freedom House*, available at: [http://www.freedomhouse.org/report/freedom-world/2011/lebanon#.UtAOH\\_RdVQg](http://www.freedomhouse.org/report/freedom-world/2011/lebanon#.UtAOH_RdVQg), last visited: 14 January 2014. (N.B.: *Freedom House* ranks countries between '1' and '7', with '7' being awarded to the most repressive regimes.)

<sup>39</sup> 'Lebanon – 2011', op. cit. (footnote 38).

<sup>40</sup> 'Hezbollah and allies topple Lebanese unity government', *BBC News*, 12 January 2011, available at: <http://www.bbc.co.uk/news/world-middle-east-12170608>.



was, in part, due to the fact that the March 8 Coalition had returned to power as part of a unity government, following the Doha Agreement,<sup>41</sup> and was then able to gain 10 seats out of 30 in a similar cabinet under Saad Hariri, following the 2009 elections.<sup>42</sup> Following the fall, in January 2011, of Saad Hariri's government over the tribunal issue, Najib Mikati was able to form a new cabinet – dominated by March 8 ministers – within six months and still maintain Lebanese involvement in the process, with the transitional period punctuated by only minor civil unrest.<sup>43</sup> This suggests that, unlike the period immediately following the uprising, co-operation was preferred to conflict, by Lebanon's opposing political groups – something that may be beginning to be seen in Tunisia.<sup>44</sup>

These positives would suggest, then, that states can recover from the instability of revolution and overcome even the most apparently entrenched political division. The current situation in Lebanon indicates, however, that they may be left vulnerable to volatility outside of their borders. The outbreak of civil war in Syria has had an enormous influence on Lebanon's political structures, with the latter's legislative and executive bodies hopelessly paralysed. The resignation of Prime Minister Najib Mikati, in March 2013,<sup>45</sup> left Lebanon with a caretaker government for nearly a year, with Prime Minister-designate Tammam Salam unable to form a replacement government.<sup>46</sup> The country's Parliament meetings are also being boycotted by a number of major parties, and have failed to reach quorum eight times in the past year.<sup>47</sup>

In addition to this, parliamentary elections due for 2013 have been postponed to November 2014, while – despite the increase in political rights logged by *Freedom House*, following the Cedar Revolution – Lebanon's 'Freedom Rating' declined to 4.5 in 2013.<sup>48</sup>

## Security

As well as the economic and political impact, which can be compared with those experienced by the Arab Spring countries, Lebanon experienced an increase in political violence in the years immediately following the Cedar Revolution. From June 2005 to December 2007, the country saw a number of political assassinations of Syria's opponents,<sup>49</sup> comparable to the assassinations of Chokri Belaid and Mohamed Brahmi in Tunisia in 2013.<sup>50</sup> Between June 2005 and September 2007, six prominent Lebanese political figures or journalists opposed to the Syrian regime were killed in bomb or gun attacks, and a further two escaped assassination attempts.<sup>51</sup> Just two months after Syrian troops were withdrawn, journalist Samir Qasir was killed when a car bomb exploded outside his home;<sup>52</sup> this was followed, on 21 June, by the killing of Communist Party leader George Hawi with an under-car bomb.<sup>53</sup> On December 12, Gebran Tuani, described by UN Secretary-General Kofi Annan as "a tireless advocate of a sovereign Lebanon and free press" was killed in a car-bombing,<sup>54</sup> and, in December 2006, gunmen shot dead anti-Syrian MP Pierre Gemayel.<sup>55</sup> The following year, Sunni MP

<sup>41</sup> 'Lebanon – 2009', *Freedom House*, available at: <http://www.freedomhouse.org/report/freedom-world/2009/lebanon#.UtUQ2vRdVQg>.

<sup>42</sup> 'Lebanon's national-unity cabinet formed', *NOW*, 9 November 2009, available at: [https://now.mmedia.me/lb/en/nownews/lebanons\\_national-unity\\_cabinet\\_formed](https://now.mmedia.me/lb/en/nownews/lebanons_national-unity_cabinet_formed).

<sup>43</sup> 'Lebanon's Mikati Forms New Cabinet With Hezbollah Support', *Bloomberg*, 13 June 2011, available at: <http://www.bloomberg.com/news/2011-06-13/lebanon-s-mikati-forms-new-cabinet-with-hezbollah-support.html>.

<sup>44</sup> 'Tunisia's NCA agrees new constitution', *BBC News*, 24 January 2014, available at: <http://www.bbc.co.uk/news/world-africa-25878534>.

<sup>45</sup> 'Lebanese Prime Minister Najib Mikati resigns', *Reuters*, 22 March 2013, available at: <http://uk.reuters.com/article/2013/03/22/us-lebanon-mikati-idUSBRE92L0TG20130322>.

<sup>46</sup> 'Cabinet formation still at impasse, Salam says', *The Daily Star*, 1 October 2013, available at: <http://www.dailystar.com.lb/News/Lebanon-News/2013/Oct-01/233151-cabinet-formation-still-at-impasse-salam-says.ashx#axzz2qMmjWG1H>.

<sup>47</sup> 'Parliament fails to convene once more', *The Daily Star*, 18 December 2013, available at: <http://www.dailystar.com.lb/News/Lebanon-News/2013/Dec-18/241522-parliament-fails-to-convene-once-more.ashx#axzz2qH7D5TJT>.

<sup>48</sup> 'Lebanon – 2013', *Freedom House*, available at: <http://www.freedomhouse.org/report/freedom-world/2013/lebanon#.UtAPEvRdVQg>.

<sup>49</sup> A bomb attack in July 2005 targeted the pro-Syrian Defence Minister, Elias Murr, leaving him with minor injuries (See: 'Murr escapes deadly car bomb attack', *The Daily Star*, 13 July 2005, available at: <http://www.dailystar.com.lb/News/Lebanon-News/2005/Jul-13/9074-murr-escapes-deadly-car-bomb-attack.ashx#axzz2q1B89K35>).

<sup>50</sup> See: 'Tunisia shocked by assassinations: Opposition leaders Mohamed Brahmi and Chokri Belaid killed with the same gun', *The Independent*, 26 July 2013, available at: <http://www.independent.co.uk/news/world/africa/tunisia-shocked-by-assassinations-opposition-leaders-mohamed-brahmi-and-chokri-belaid-killed-with-the-same-gun-8733972.html>.

<sup>51</sup> Journalists Ali Ramez Tohme, who escaped an under-car bomb attack on 15 September 2005, and May Chidiac, who was seriously injured in a similar attack on her car on 25 September 2005 (See: 'Third attack against press in four months', *Committee to Protect Journalists*, 26 September 2005, available at: <https://cpj.org/2005/09/third-attack-against-press-in-four-months.php>).

<sup>52</sup> 'Hundreds mourn Beirut journalist', *BBC News*, 4 June 2005, available at: [http://news.bbc.co.uk/1/hi/world/middle\\_east/4609329.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4609329.stm).

<sup>53</sup> 'Fierce critic of Syria killed in Beirut blast', *The Telegraph*, 22 June 2005, available at: <http://www.telegraph.co.uk/news/worldnews/middleeast/lebanon/1492580/Fierce-critic-of-Syria-killed-in-Beirut-blast.html>.

<sup>54</sup> 'Security Council receives Mehdis report; Annan condemns new assassination in Lebanon', *United Nations News Centre*, 12 December 2005, available at: <http://www.un.org/apps/news/story.asp?NewsID=16905&Cr=middle&Cr1=leban#.Us7EVPRdVQg>.

<sup>55</sup> 'Lebanese Christian leader killed', op. cit. (footnote 17).

Walid Eido was killed in a car-bomb attack on Beirut's waterfront, on 13 June,<sup>56</sup> and Christian MP Antoine Ghanem was killed in a car-bombing in east Beirut.<sup>57</sup>

In addition, a spate of bombings throughout 2005 targeted Christian areas, with at least eight attacks from 19 March to 17 September striking towns and neighbourhoods including New Jdeideh; Jounieh; and Ashrafiyeh, killing five and wounding at least 60.<sup>58</sup> Likely carried out by Syrian supporters attempting to undermine security, the attacks were comparable to those striking the Coptic Christian community in Egypt, following the Arab Spring.<sup>59</sup> However, the most serious violence broke out in May 2008, when the discovery of Hezbollah-controlled hidden cameras at Rafic Hariri International Airport led to accusations from the government that the group was planning an attack, potentially on government figures.<sup>60</sup> By this point, the political relationship between Siniora's government and the Hezbollah-led opposition had deteriorated severely, and the declaration, on 6 May, that Hezbollah's telecommunications network would be dismantled led to six days of heavy fighting across Lebanon, which killed at least 61 and left over 200 wounded.<sup>61</sup>

As with the economic and political instability, though, by the end of 2008, political violence and assassination

had become less of a problem and the security situation was beginning to recover. The assassination of the pro-Syrian Druze politician, Saleh Aridi, in September 2008,<sup>62</sup> was the only overtly political killing until the death of the Internal Security Forces intelligence chief Wissam al-Hassan, in October 2012.<sup>63</sup> September 2008 also saw a reconciliation agreement signed between warring Sunni and Alawite militias in the northern city of Tripoli, after sectarian fighting linked to political disagreements in Beirut had killed at least 22 people.<sup>64</sup> While 2008 did see two significant bomb attacks in Tripoli, one of which killed at least 15 people, these were not believed to have been linked to the political violence generated by the Cedar Revolution, and were, instead, likely to have been carried out by al-Qaeda-inspired Islamist terrorists.<sup>65</sup> The same was true of significant violence in the Nahr al-Bared refugee camp during the summer of 2007 (sparked when the Islamist terrorist group, Fatah al-Islam, attacked Lebanese Army positions, in retaliation for the arrest of its members).<sup>66</sup>

Since the outbreak of violence in Syria, however, significant political violence has been seen in Beirut; Tripoli; and Sidon, as well as across the Bekaa Valley. The assassination of Wissam al-Hassan was the first major car-bomb attack in Beirut since 2008;<sup>67</sup> yet, since then, there have been a number of large bomb attacks in the capital, with recent explosions killing the former Finance Minister, Mohamad Chatah (a persistent critic of the Syrian regime), and striking the Shia district of Haret Hreik.<sup>68</sup> In November 2013, the Iranian Embassy was struck by a double suicide

<sup>56</sup> 'Lebanese MP dies in Beirut blast', *BBC News*, 14 June 2007, available at: [http://news.bbc.co.uk/1/hi/world/middle\\_east/6749663.stm](http://news.bbc.co.uk/1/hi/world/middle_east/6749663.stm).

<sup>57</sup> 'MP Antoine Ghanem assassinated', *The Daily Star*, 20 September 2007, available at: <http://www.dailystar.com.lb/News/Lebanon-News/2007/Sep-20/47135-mp-antoine-ghanem-assassinated.ashx#axzz1zUoMKoRi>.

<sup>58</sup> See: 'Car bomb rocks Beirut', *The Guardian*, 19 March 2005, available at: <http://www.theguardian.com/world/2005/mar/19/syria.lebanon>. See also: 'Fresh Lebanon bombing kills three', *BBC News*, 23 March 2005, available at: [http://news.bbc.co.uk/1/hi/world/middle\\_east/4374111.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4374111.stm). See also: 'Bomb hits Beirut's Christian area', *BBC News*, 27 March 2005, available at: [http://news.bbc.co.uk/1/hi/world/middle\\_east/4385265.stm](http://news.bbc.co.uk/1/hi/world/middle_east/4385265.stm). See also: 'Bomb damages Christian Town Near Beirut', *The Washington Post*, 2 April 2005, available at: <http://www.washingtonpost.com/wp-dyn/articles/A19372-2005Apr1.html>. See also: 'Bomb kills one, wounds 6 in the port city of Jounieh', *The Daily Star*, 6 May 2005, available at: <http://www.dailystar.com.lb/News/Lebanon-News/2005/May-06/5307-bomb-kills-one-wounds-6-in-the-port-city-of-jounieh.ashx#axzz2q1B89K35>. See also: Sadler, B., 'Explosion hits Beirut', *CNN*, 22 July 2005, available at: <http://edition.cnn.com/2005/WORLD/meast/07/22/lebanon.explosion/index.html>. See also: 'Car bomb explodes in Beirut: one dead and 30 wounded', *Asia News*, 17 September 2005, available at: <http://www.asianews.it/news-en/Car-bomb-explodes-in-Beirut-one-dead-and-30-wounded-4136.html>. See also: 'Powerful Explosion Near Beirut Hotel Injures at Least 3', *The New York Times*, 23 August 2005, available at: [http://www.nytimes.com/2005/08/23/international/middleeast/23lebanon.html?adxn1=1&adxn1x=1124802094-t3xMNR3qz+TfiO6F3gWUkQ&\\_r=2&](http://www.nytimes.com/2005/08/23/international/middleeast/23lebanon.html?adxn1=1&adxn1x=1124802094-t3xMNR3qz+TfiO6F3gWUkQ&_r=2&).

<sup>59</sup> 'Egypt police boost security at churches ahead of Coptic Christmas', *Reuters*, 6 January 2014, available at: <http://www.reuters.com/article/2014/01/06/us-egypt-copts-idUSBREA050HA20140106>.

<sup>60</sup> 'Hezbollah in airport spying row', *BBC News*, 3 May 2008, available at: [http://news.bbc.co.uk/1/hi/world/middle\\_east/7382289.stm](http://news.bbc.co.uk/1/hi/world/middle_east/7382289.stm).

<sup>61</sup> 'Lebanon army gives gunmen deadline to disarm', *Al Arabiya News*, 12 May 2008, available at: <http://www.alarabiya.net/articles/2008/05/12/49725.html>.

<sup>62</sup> 'Lebanese politician Sheik Saleh Aridi killed in car bombing', *The Guardian*, 11 September 2008, available at: <http://www.theguardian.com/world/2008/sep/11/lebanon.syria>.

<sup>63</sup> 'Wissam Al-Hasan Assassinated in Ashrafiyeh Bomb Blast', *Naharnet*, 19 October 2012, available at: <http://www.naharnet.com/stories/en/57713>.

<sup>64</sup> 'Sunni, Alawite leaders sign truce deal in Tripoli', *The Daily Star*, 9 September 2008, available at: <http://www.dailystar.com.lb/News/Lebanon-News/2008/Sep-09/50899-sunni-alawite-leaders-sign-truce-deal-in-tripoli.ashx#axzz2qH7D5TJT>.

<sup>65</sup> See: 'Lebanon bomb kills 15 in attack on army', *Reuters*, 13 August 2008, available at: <http://www.reuters.com/article/2008/08/13/us-lebanon-blast-idUSLD6575120080813>.

<sup>66</sup> 'Three-month battle ends as army takes over refugee camp', *The Guardian*, 3 September 2007, available at: <http://www.theguardian.com/world/2007/sep/03/syria.lebanon>.

<sup>67</sup> 'Wissam Al-Hasan Assassinated in Ashrafiyeh Bomb Blast', op. cit. (footnote 63).

<sup>68</sup> See: 'Beirut blast kills Sunni ex-minister Mohamad Chatah', *BBC News*, 27 December 2013, available at: <http://www.bbc.co.uk/news/world-middle-east-25524729>. See also: 'Car bomb in Beirut kills four, wounds 77', *The Daily Star*, 2 January 2014, available at: <http://www.dailystar.com.lb/News/Lebanon-News/2014/Jan-02/242913-huge-explosion-rocks-beiruts-southern-suburbs.ashx#axzz2qH7D5TJT>.

bombing,<sup>69</sup> and two large car bombs targeted Hezbollah strongholds in South Beirut in July and August 2013.<sup>70</sup> Street fighting and sniping at sectarian interfaces in Tripoli has continued since August 2012, with the most recent round continuing sporadically since November 2013.<sup>71</sup> In addition, in May 2013, Islamist gunmen clashed with the Lebanese Armed Forces in Sidon, leaving over 40 people dead.<sup>72</sup> Rocket fire from Syrian rebel forces also regularly strikes border towns such as Hermel and Aarsal in the Bekaa Valley,<sup>73</sup> and Hezbollah units in the area have been targeted in a number of small, roadside-bomb attacks.<sup>74</sup> As the war in Syria has continued, the violence in Lebanon has worsened, and is currently at a much more serious state than at any time during the Cedar Revolution (other than May 2008).

### Conclusion

This essay demonstrates that, in the three years following the Cedar Revolution, Lebanon experienced similar economic; political; and security problems to those which are currently being felt by the Arab Spring countries across the Middle East and North Africa. Despite these difficulties, the three indicators profiled show that, after several years of immediate instability following the uprising in 2005, Lebanon was able to overcome these issues and begin to develop successfully once more. However, it is also important to note the current decline that Lebanon is experiencing in all three of these indicating sectors. The significant instability manifesting in the country,

as a result of the violence in Syria, has reversed much of progress made since the second half of 2008, with the political polarisation and accompanying violence which followed the Cedar Revolution becoming particularly apparent once more.

Taking this into account, it is possible to suggest that, given time, those states currently facing political instability post-Arab Spring will be able to follow Lebanon's example and challenge their economic, political, and military problems post-revolution. The key variables as to whether this will happen depend on the extent to which the economies; political environment; and security situation of these countries have been damaged by their revolutions, and how severe the political fragility which is likely to affect these states for some time is. However, the fact that Lebanon had begun to recover before the outbreak of violence in Syria, and appeared to have regained a measure of economic and political cohesion, suggests that even if the level of damage caused by revolution is lower than expected, states may still be vulnerable. In that case, it is worth noting that even those states which have regained a measure of stability following upheaval may continue to be ill-equipped to deal with further political turmoil for many years to come.

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<sup>69</sup> 'Lebanon blasts hit Iran's embassy in Beirut', *BBC News*, 19 November 2013, available at: <http://www.bbc.co.uk/news/world-middle-east-24997876>.

<sup>70</sup> See: 'Car bomb kills 21 in Beirut southern suburb', *The Daily Star*, 15 August 2013, available at: <http://www.dailystar.com.lb/News/Lebanon-News/2013/Aug-15/227505-explosion-in-southern-suburb-of-beirut-witnesses.ashx#axzz2qH7D5TJT>. See also: 'Over 50 hurt as car bomb hits Hezbollah Beirut stronghold', *Reuters*, 9 July 2013, available at: <http://www.reuters.com/article/2013/07/09/us-lebanon-explosion-idUSBRE96807Z20130709>.

<sup>71</sup> 'Sniper fire kills one as clashes flare in Lebanon's Tripoli', *Reuters*, 5 January 2014, available at: <http://www.reuters.com/article/2014/01/05/us-syria-crisis-lebanon-idUSBREA040AA20140105>.

<sup>72</sup> 'Lebanese Army storms Assir complex, preacher flees', *The Daily Star*, 24 June 2013, available at: <http://www.dailystar.com.lb/News/Local-News/2013/Jun-24/221395-fierce-clashes-rock-south-lebanon-city-for-second-day.ashx#ixzz2X9bBrhZD>.

<sup>73</sup> 'Rocket attack kills 8 in Aarsal, stokes tensions', *The Daily Star*, 18 January 2014, available at: <http://www.dailystar.com.lb/News/Lebanon-News/2014/Jan-18/244451-rocket-attack-kills-8-in-aarsal-stokes-tensions.ashx#axzz2rDvgPnS6>.

<sup>74</sup> 'Three hurt as bomb hits Hezbollah convoy in Lebanon', *Reuters*, 16 July 2013, available at: <http://uk.reuters.com/article/2013/07/16/us-syria-crisis-lebanon-idUSBRE96F0NW20130716>.

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# Tunisia's Turbulent Transition

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HANNAH STUART

**GDP (real growth rate)**  
**(International Monetary**  
**Fund/World Economic**  
**Outlook database, IMF/WEO)**

2013: + 3.0% (est.)  
2012: + 3.6%  
2011: - 1.9%  
2010: + 2.9%  
2009: +3.1%

**GDP per capita (PPP)**  
**(current US\$) (IMF/WEO)**

2013: \$9,947 (est.)  
2012: \$9,650 (est.)  
2011: \$9,244 (est.)  
2010: \$9,356  
2009: \$9,075

**Unemployment (IMF/WEO)**

2013: 16.7% (est.)  
2012: 17.6%  
2011: 18.3%  
2010: 13.0%  
2009: 13.3%

**Inflation (consumer**  
**prices) (IMF/WEO)**

2013: 6.0% (est.)  
2012: 5.6%  
2011: 3.5%  
2010: 4.4%  
2009: 3.5%

**Exchange rate (Tunisian**  
**Dinar/US\$) (World Bank)**

2013 (Nov–Dec av): 1.68 (Banque  
Centrale de Tunisie, BCT)  
2012: 1.56  
2011: 1.41  
2010: 1.43  
2009: 1.35

**Long term credit rating**  
**(Standard & Poor's)**

18/12/13: 'B' affirmed; ratings  
discontinued  
16/08/13: downgrade to 'B' from 'BB-'  
19/02/13: downgrade to 'BB-' from 'BB'  
23/05/12: downgrade to 'BB' from 'BBB-'  
16/03/11: downgrade to 'BBB-' from 'BBB'  
18/01/11: 'BBB' rating put on  
CreditWatch Negative

**GDP by origin**  
**Industry (World Bank)**

2013: Unspecified  
2012: Services 61%; Industry 30%;  
Agriculture 9%  
2011: Services 60%; Industry 31%;  
Agriculture 9%  
2010: Services 61%; Industry 31%;  
Agriculture 8%  
2009: Services 61%; Industry 30%;  
Agriculture 9%

**Exports of goods and**  
**services (%GDP) (World Bank)**

2013: Unspecified  
2012: 48%  
2011: 49%  
2010: 50%  
2009: 46%

**Imports of goods and**  
**services (%GDP) (World Bank)**

2013: Unspecified  
2012: 59%  
2011: 56%  
2010: 55%  
2009: 48%

**Exports of goods**  
**and services**  
**(current US\$) (World Bank)**

2013: Unspecified  
2012: \$21.90 billion  
2011: \$22.69 billion  
2010: \$22.23 billion  
2009: \$19.92 billion

**Imports of goods**  
**and services**  
**(current US\$) (World Bank)**

2013: Unspecified  
2012: \$26.76 billion  
2011: \$25.93 billion  
2010: \$24.35 billion  
2009: \$21.09 billion

**Total reserves (includes gold,**  
**current US\$) (World Bank)**

2013: \$7.40 billion (IMF, April 2013)  
2012: \$8.72 billion  
2011: \$7.79 billion  
2010: \$9.76 billion  
2009: \$11.29 billion

**General government gross**  
**debt (%GDP) (IMF/WEO)**

2013: 45.5% (est.)  
2012: 44.0%  
2011: 44.0%  
2010: 40.4%  
2009: 42.8%

**Current account balance**  
**(%GDP) (IMF/WEO)**

2013: 8.0% (est.)  
2012: 8.1%  
2011: 7.3%  
2010: 4.8%  
2009: 2.8%

**Production of crude oil,**  
**NGPL, and other liquids**  
**(thousand barrels per day)**  
**(US Energy Information**  
**Administration)**

2013: Unspecified  
2012: 66.3  
2011: 67.3  
2010: 78.9  
2009: 81.4

**Electricity production**  
**(kilowatt hours) (World Bank)**

2013: Unspecified  
2012: Unspecified  
2011: 16.13 billion  
2010: 16.01 billion  
2009: 15.25 billion

**Tourist arrivals (BCT)**

2013 (Jan–Sep): 4.91 million  
2012: 5.95 million  
2011: 4.78 million  
2010: 6.90 million  
2009: 6.90 million



## FCO Tunisia map – <sup>75</sup> last updated: 19 February 2014



Source: UK Government Foreign & Commonwealth Office

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<sup>75</sup> 'Foreign travel advice: Tunisia – Summary', UK Government Foreign & Commonwealth Office, available at: <https://www.gov.uk/foreign-travel-advice/tunisia>.

## Introduction

Tunisia's Jasmine Revolution, triggered by the self-immolation of fruit vendor Mohamed Bouazizi in December 2010, ignited the wave of popular protests across the Middle East and North Africa known as the Arab Spring. Popular discontent at rampant corruption, high unemployment, and huge socio-economic inequalities was evident in the nationwide protests that characterised the revolution. Decades of authoritarian political rule and neo-liberal economics had produced a stable state but an unequal and unfree society. Tunisia's post-revolution trajectory has repeatedly been hailed as the most successful of all the Arab Spring countries, with Tunisians gaining genuine freedoms and political participation. Despite this, the country has been subject to political polarisation; rising religious extremism; and sluggish economic recovery. As Tunisians enter their fourth year of democratic transition, their country is arguably less secure and remains, in many ways, no less unequal.

## Economy

Prior to the Jasmine Revolution, Tunisia had arguably one of the strongest and seemingly most resilient economies of all the countries affected by the Arab Spring. From the mid-1990s onwards, Tunisia had undertaken gradual neo-liberal reforms designed to dismantle its trade tariffs and strengthen its business environment in advance of increasing privatisation in an opening economy.<sup>76</sup> Reform had a positive impact on the country's macroeconomic indicators, which continued to perform well until the revolution: the real growth rate, for example, averaged 4.4% between 2005 and 2010.<sup>77</sup> Tunisia also weathered the impact of the global recession well – in part, due to the relative isolation of its financial sector – and outperformed similarly rated economies. For example, 2009 saw 3.1% growth; a record harvest; sufficient tourism revenue (approximately 7% of GDP);<sup>78</sup> and

an increase in Foreign Direct Investment (FDI) in manufacturing.<sup>79</sup>

In 2011, the year following the revolution, the Tunisian economy contracted by 1.9%.<sup>80</sup> This was a worse performance than the slowing-down initially predicted: in the aftermath of the revolution, for example, the Central Bank of Tunisia; international banks; and ratings agencies had forecast limited growth of between 0.7% and 2%.<sup>81</sup> Tunisia's recession was primarily the result of a 30% decline in tourism and a 25.7% decline in FDI, compared to 2010.<sup>82</sup> Furthermore, social unrest and labour action caused a near stagnation of the country's hydrocarbon and phosphate production, as well as low levels of manufacturing production levels.<sup>83</sup> External factors also hampered Tunisia's recovery. Prior to the revolution, the EU and Libya had constituted Tunisia's primary export markets: the EU, for example, acquired 76% of Tunisia's exports in 2008.<sup>84</sup> In 2011, however, the persistently sluggish recovery of the Eurozone, and the civil war in Libya, negatively impacted Tunisian trade. An August 2011 *African Development Bank* report showed that Tunisian exports to Libya were down by over a third (34%), as a result of the crisis.<sup>85</sup>

By the middle of 2012, however, almost 18 months after the revolution, Tunisia's economy appeared to be

<sup>79</sup> 'Clarification - Fitch Affirms Tunisia at "BBB"; Outlook Stable', *Fitch Ratings*, 18 February 2010, available at: [https://www.fitchratings.com/creditratings/press\\_releases/detail.cfm?pr\\_id=553976](https://www.fitchratings.com/creditratings/press_releases/detail.cfm?pr_id=553976).

<sup>80</sup> 'Tunisia - Rating Action Report', *Fitch Ratings*, 30 October 2013, available at: [https://www.fitchratings.com/creditratings/reports/report\\_frame.cfm?rpt\\_id=722397](https://www.fitchratings.com/creditratings/reports/report_frame.cfm?rpt_id=722397).

<sup>81</sup> 'Tunisia: Frontier country report – 2011', *Deutsche Bank Research* (2011), available at: [http://www.dbresearch.com/PROD/DBR\\_INTERNET\\_EN-PROD/PROD000000000276609/Tunisia.pdf](http://www.dbresearch.com/PROD/DBR_INTERNET_EN-PROD/PROD000000000276609/Tunisia.pdf). See also: 'Fitch Downgrades Tunisia to "BBB-"; Negative Outlook', *Fitch Ratings*, 2 March 2011, available at: [https://www.fitchratings.com/creditratings/press\\_releases/detail.cfm?pr\\_id=688262](https://www.fitchratings.com/creditratings/press_releases/detail.cfm?pr_id=688262).

<sup>82</sup> Analysis of tourism data taken from: 'Financial Statistics, no. 184', Banque Centrale de Tunisie (October 2013), pp. 64–65, available at: [http://www.bct.gov.tn/bct/siteprod/documents/bulletin\\_184an.pdf](http://www.bct.gov.tn/bct/siteprod/documents/bulletin_184an.pdf). See also: 'OECD Investment Policy Reviews: Tunisia 2012', *OECD*, 30 October 2012, available at: [http://www.oecd-ilibrary.org/finance-and-investment/oecd-investment-policy-reviews-tunisia-2012\\_9789264179172-en](http://www.oecd-ilibrary.org/finance-and-investment/oecd-investment-policy-reviews-tunisia-2012_9789264179172-en). See also: 'Moody's: Tunisia's fragile economic recovery set to continue despite political uncertainty', *Moody's Investors Service*, 25 June 2012, available at: [https://www.moody.com/research/Moodys-Tunisias-fragile-economic-recovery-set-to-continue-despite-political-PR\\_249305](https://www.moody.com/research/Moodys-Tunisias-fragile-economic-recovery-set-to-continue-despite-political-PR_249305).

<sup>83</sup> 'Tunisia', *African Economic Outlook* (2012), available at: <http://www.africaneconomicoutlook.org/fileadmin/uploads/aco/2013/PDF/Tunisia%20-%20African%20Economic%20Outlook.pdf>. See also: 'Tunisian Snapshot: 2012 Quarter 2', *KPMG* (2012), p. 3, available at: [http://www.kpmg.com/Africa/en/KPMG-in-Africa/Documents/KPMG\\_Tunisia%202012Q2.pdf](http://www.kpmg.com/Africa/en/KPMG-in-Africa/Documents/KPMG_Tunisia%202012Q2.pdf).

<sup>84</sup> 'Tunisia: Selected Issues', op. cit. (footnote 78). See also: 'European Union, Trade in goods with Tunisia', op. cit. (footnote 78).

<sup>85</sup> 'Libyan Crisis Badly Affects Tunisian Economy', *The Tripoli Post*, 15 August 2011, available at: <http://www.tripolipost.com/articleDetail.asp?c=1&i=6659>.

<sup>76</sup> Nasr, J., 'Tunisia: Transition to open markets and an improved insolvency process', *Celebrating Reform* (2009), available at: <http://www.doingbusiness.org/reports/case-studies/2009/insolvency-process-in-tunisia>.

<sup>77</sup> 'Stuck in Transition?', *EBRD* (2013), p. 33, available at: <http://www.ebrd.com/downloads/research/transition/tr13.pdf>.

<sup>78</sup> Loko, B.; Toujas-Bernaté, J.; and Dominique Simard, 'Tunisia: Selected Issues', International Monetary Fund (2010), p. 3, available at: <http://www.imf.org/external/pubs/ft/scr/2010/cr10109.pdf>. See also: 'European Union, Trade in goods with Tunisia', European Commission (November 2013), p. 9, available at: [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_122002.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_122002.pdf).

slowly improving. Tourism-related receipts between January and May 2012 had increased by 35.8%, compared to the same period in 2011, and FDI had increased 42.8% over the first five months of 2012.<sup>86</sup> At the same time, however, business confidence was low, as strikes continued nationally. Increasing societal divisions centred political focus on ideology, rather than the economy. As a result, much-needed business-law reforms did not appear to be a government priority.<sup>87</sup>

Consequently, popular feeling among Tunisians was that neither the economy nor the government was doing well. In a *Pew Research Center* survey, conducted in July 2012, 83% of Tunisians agreed that “current economic conditions are bad”; 78% were dissatisfied with the general direction that the country was taking; and 42% thought that the country had been better off under the former dictator.<sup>88</sup> Moreover, the government had not assuaged Tunisians’ anger at state corruption: 81% felt that corruption had increased after the revolution.<sup>89</sup>

In a continuation of the 2011 transitional government’s expansionary policies, the 2012 budget had allocated additional funding for development spending; an employment programme; and an increase in subsidies, all designed to alleviate Tunisia’s high unemployment and regional disparities.<sup>90</sup> As a whole, however, the economy did not improve as fast as expected: 3.6% growth in 2012,<sup>91</sup> for example, was well below the 6% required to create sufficient job opportunities for Tunisia’s growing youth population.<sup>92</sup>

Moreover, high prices for commodities, still lower than average tourism receipts; weak exports to the EU; and growing imports enlarged the country’s current-account deficit.<sup>93</sup> In the decade prior to the

revolution, the current-account deficit had averaged 3.2%,<sup>94</sup> which deteriorated rapidly to 8% in 2012.<sup>95</sup> Increased deficits put pressure on the country’s foreign reserves, and drove up inflation to 5.5%.<sup>96</sup> In December 2012, *Fitch Ratings* downgraded Tunisia one notch, to ‘BB+’ from ‘BBB-’, with a negative outlook to reflect the country’s sluggish economy and protracted and turbulent transition.<sup>97</sup>

The political assassinations and unrest that characterised 2013, however, proved even more challenging. Tunisia’s third year of transition saw limited economic growth and diminished investor confidence, with a continual worsening of credit ratings and real-growth-rate projections and estimates. The assassination of opposition figure Chokri Belaid, in February 2013, and the subsequent collapse of the interim government, saw both *Standard & Poor’s* (S&P) and *Moody’s* lower their credit ratings.<sup>98</sup> In July 2013, Tunisia’s second political assassination within six months prompted S&P to downgrade Tunisia further, to ‘B’ in August 2013,<sup>99</sup> and *Fitch Ratings* from ‘BB+’ to ‘BB-’.<sup>100</sup> Finally, on 18 December 2013, S&P stopped rating the country, at the Tunisian government’s request.<sup>101</sup> All downgrades included a negative outlook, reflecting continued delays to political negotiations.

<sup>86</sup> ‘Moody’s: Tunisia’s fragile economic recovery set to continue despite political uncertainty’, op. cit. (footnote 82).

<sup>87</sup> ‘Economic struggle in Tunisia endures’, *The National*, 17 December 2012, available at: <http://www.thenational.ae/business/industry-insights/economics/economic-struggle-in-tunisia-endures#ixzz2pzKCDGxX>.

<sup>88</sup> Ghanem, H., ‘Will Tunisia Follow Egypt?’, *Brookings*, 25 July 2013, available at: <http://www.brookings.edu/research/opinions/2013/07/25-tunisia-egypt-democratic-reform-ghanem#>.

<sup>89</sup> Ibid.

<sup>90</sup> ‘Moody’s: Tunisia’s fragile economic recovery set to continue despite political uncertainty’, op. cit. (footnote 82).

<sup>91</sup> Data available from: ‘Tunisia Overview’, The World Bank Group, September 2013, available at: <http://www.worldbank.org/en/country/tunisia/overview>.

<sup>92</sup> ‘Moody’s upgrades Tunisia to Baa2’, *Moody’s Investors Service*, 17 April 2003, available at: [https://www.moody.com/research/MOODY-UPGRADES-TUNISIA-TO-Baa2-PR\\_67061](https://www.moody.com/research/MOODY-UPGRADES-TUNISIA-TO-Baa2-PR_67061).

<sup>93</sup> ‘Fitch: Expected IMF Agreement Eases Pressure on Tunisia Rating’, *Fitch Ratings*, 23 April 2013, available at: [https://www.fitchratings.com/creditrating/press\\_releases/detail.cfm?pr\\_id=789269](https://www.fitchratings.com/creditrating/press_releases/detail.cfm?pr_id=789269).

<sup>94</sup> ‘Moody’s issues annual credit report on Tunisia’, *Moody’s Investors Service*, 28 September 2012, available at: [https://www.moody.com/research/Moody-issues-annual-credit-report-on-Tunisia-PR\\_256433](https://www.moody.com/research/Moody-issues-annual-credit-report-on-Tunisia-PR_256433).

<sup>95</sup> ‘Moody’s downgrades Tunisia’s government issuer ratings to Baa2; outlook negative’, *Moody’s Investors Service*, 29 May 2013, available at: [https://www.moody.com/research/Moody-downgrades-Tunisia-government-issuer-ratings-to-Baa2-outlook-negative-PR\\_274222](https://www.moody.com/research/Moody-downgrades-Tunisia-government-issuer-ratings-to-Baa2-outlook-negative-PR_274222).

<sup>96</sup> ‘Fitch Downgrades Tunisia to “BB+”, Outlook Negative’, *Fitch Ratings*, 12 December 2012, available at: [https://www.fitchratings.com/creditrating/press\\_releases/detail.cfm?pr\\_id=777080](https://www.fitchratings.com/creditrating/press_releases/detail.cfm?pr_id=777080).

<sup>97</sup> ‘TEXT-Fitch cuts Tunisia to “BB+”, outlook negative’, *Reuters*, 12 December 2012, available at: <http://www.reuters.com/article/2012/12/12/idUSWNA096620121212>.

<sup>98</sup> S&P from ‘BB’ to ‘BB-’, and *Moody’s* from ‘Baa3’ to ‘Ba1’ (See: ‘Research Update: Republic of Tunisia Downgraded To “B” On Greater Political Uncertainty; Outlook Negative; Short-Term “B” Rating Affirmed’, *Standard & Poor’s* (August 2013), p. 3, available at: [http://twitdoc.com/upload/lisa\\_nugent/republic-of-tunisia-downgraded-to-b-on-greater-political-uncertainty-outlook-negative-short-term-b-rating-affirmed.pdf](http://twitdoc.com/upload/lisa_nugent/republic-of-tunisia-downgraded-to-b-on-greater-political-uncertainty-outlook-negative-short-term-b-rating-affirmed.pdf); see also: ‘Moody’s downgrades Tunisia’s government debt rating to Ba1; on review for further downgrade’, *Moody’s Investors Service*, 28 February 2013, available at: [https://www.moody.com/research/Moody-downgrades-Tunisia-government-debt-rating-to-Ba1-on-review-PR\\_267240](https://www.moody.com/research/Moody-downgrades-Tunisia-government-debt-rating-to-Ba1-on-review-PR_267240)).

<sup>99</sup> ‘Research Update: Republic of Tunisia Downgraded’, op. cit. (footnote 98).

<sup>100</sup> ‘Fitch Downgrades Tunisia to “BB-”; Outlook Negative’, *Fitch Ratings*, 30 October 2013, available at: [https://www.fitchratings.com/creditrating/press\\_releases/detail.cfm?pr\\_id=806552](https://www.fitchratings.com/creditrating/press_releases/detail.cfm?pr_id=806552).

<sup>101</sup> ‘Ratings On Tunisia Affirmed At “B/B” Then Withdrawn At The Government’s Request’, *Standard & Poor’s*, 18 December 2013, available at: <http://www.standardandpoors.com/prot/ratings/articles/en/us/?articleType=HTML&assetID=1245361952131>. See also: ‘Tunisian Government Nixes Credit Rating Contract with Standard and Poor’s’, *Tunisia Live*, 20 December 2013, available at: <http://www.tunisia-live.net/2013/12/20/tunisian-government-nixes-credit-rating-contract-with-standard-and-poor/>.



Projections made in 2012, for 2013, assumed that the Tunisian economy would not slow down: during the spring of 2012, for example, *KPMG* and *Deutsche Bank* had forecast 4.5% and 4% growth, respectively, for the year ahead.<sup>102</sup> Throughout 2013, however, political crises; increased security concerns; and weak economic performances in the EU and Libya began to weigh on Tunisia's economic outlook. At the same time, international institutions; business analysts; and ratings agencies began to revise their forecasts down,<sup>103</sup> and, in December 2013, the outgoing Prime Minister, Ali Larayedh, told the National Constituent Assembly (NCA) that the economy had achieved only 2.8% growth.<sup>104</sup>

Tourism recovery also slowed in 2013. The sector had begun to pick up in 2012, with annual figures on entry by foreign nationals coming in at 87% (5.95 million) of the pre-revolution five-year average (6.83 million), compared with only 70% (4.78 million) in 2011. Data for the first nine months of 2013, however, suggested that the annual figure would constitute just 91% (6.25 million est.) of pre-revolution levels.<sup>105</sup> In December 2013, the Central Bank of Tunisia noted a drop in tourist indicators and air-transport activity.<sup>106</sup>

Tunisia also continued to run large current-account and budget deficits in 2013. In December 2013, the Central Bank of Tunisia expressed concern about "the ongoing pressure on current payments balance", which had brought the current deficit to 7.1% of GDP over the first 11 months of 2013.<sup>107</sup> Despite the government increasing domestic fuel prices in September 2012 and March 2013,<sup>108</sup> the cost of

subsidies quadrupled in the three years following the revolution.<sup>109</sup> Rising subsidy and public-sector-salary costs resulted in a large budget deficit, which, by the end of 2013, the International Monetary Fund (IMF) had forecast at 8.8% of GDP.<sup>110</sup>

Large deficits put strain on foreign reserves and inflation levels. On the day that former President Zine el-Abidine Ben Ali stood down, Tunisia's official foreign reserves equated to five months' worth of imports;<sup>111</sup> by May 2013, they had declined to only 95 days' worth.<sup>112</sup> In December 2013, however, the Central Bank of Tunisia noted that reserves had been boosted by recourse to external resources and improved FDI flows (up by 12.5%) and currently stood at 108 days' worth of imports.<sup>113</sup> Inflation grew significantly throughout 2013: the average rate over the first 11 months of 2013 was 6.1%, compared to 5.5% over the same period in 2012.<sup>114</sup> As a result, in December 2013, the Central Bank of Tunisia expressed concern over "the risk of ongoing inflationary pressure over the forthcoming months".<sup>115</sup>

During 2013, however, the government began to take steps to boost trade and address what S&P described as the country's "fragile" banking sector.<sup>116</sup> In June 2013, the government announced that it would work with *The World Bank Group*, to develop the country's export market; improve port infrastructure and the shipping industry; and reach new markets, in order to mitigate the country's longstanding reliance on the EU.<sup>117</sup> In July 2013, an eight-month review of Tunisia's three major state-owned banks was initiated,

<sup>102</sup> 'Tunisian Snapshot: 2012 Quarter 2', op. cit. (footnote 83).

See also: 'Tunisia: Frontier country report – 2012', *Deutsche Bank Research* (2012), available at: [http://www.dbresearch.com/PROD/DBR\\_INTERNET\\_EN-PROD/PROD000000000290622/Tunisia.pdf](http://www.dbresearch.com/PROD/DBR_INTERNET_EN-PROD/PROD000000000290622/Tunisia.pdf).

<sup>103</sup> For example, the European Bank for Reconstruction and Development (EBRD) forecast 3.2%, down from 3.8%, and *Business Monitor International* forecast 3.1%, down from 3.7% (See: 'Tunisia's GDP growth slows to 2.4% y/y in Q3 2013', *IntelliNews*, 19 November 2013, available at: <http://www.intellinews.com/middle-east-and-north-africa-1003/tunisia-s-gdp-growth-slows-to-2-4-y-y-in-q3-2013-22229/>; see also: 'Tunisia Business Forecast Report Q1 2014', *Business Monitor International*, 21 November 2013, available at: <http://www.marketresearch.com/Business-Monitor-International-v304/Tunisia-Business-Forecast-Q1-7901490/>).

<sup>104</sup> 'Tunisia eyes 4% growth in 2014: outgoing PM', *AFP*, 27 December 2013, available at: <http://news.howzit.msn.com/tunisia-eyes-4percent-growth-in-2014-outgoing-pm>.

<sup>105</sup> 'Financial Statistics, no. 184', op. cit. (footnote 82).

<sup>106</sup> 'Press Release of the BCT Executive Board meeting held on 25 December 2013', Banque Centrale de Tunisie (2013), available at: [http://www.bct.gov.tn/bct/siteprod/documents/evenement13\\_an.pdf](http://www.bct.gov.tn/bct/siteprod/documents/evenement13_an.pdf).

<sup>107</sup> Ibid.

<sup>108</sup> 'Tunisia Overview', op. cit. (footnote 91).

<sup>109</sup> 'Former Tunisian finance minister highlights economic reform', *Asharq Al-Awsat*, 27 December 2013, available at: <http://www.aawsat.net/2013/12/article55325980>.

<sup>110</sup> 'Tunisia's new PM takes office after Islamists resign', *Reuters*, 10 January 2014, available at: <http://www.reuters.com/article/2014/01/10/us-tunisia-crisis-idUSBREA090UE20140110>.

<sup>111</sup> 'Moody's downgrades Tunisia's to Baa3, outlook negative', *Moody's Investors Service*, 19 January 2011, available at: [https://www.moody.com/research/Moodys-downgrades-Tunisia-to-Baa3-outlook-negative-PR\\_212739](https://www.moody.com/research/Moodys-downgrades-Tunisia-to-Baa3-outlook-negative-PR_212739).

<sup>112</sup> 'Moody's downgrades Tunisia's government issuer ratings to Ba2; outlook negative', op. cit. (footnote 95).

<sup>113</sup> 'Press Release of the BCT Executive Board meeting held on 25 December 2013', op. cit. (footnote 106).

<sup>114</sup> Ibid.

<sup>115</sup> Ibid.

<sup>116</sup> 'Research Update: Republic of Tunisia Downgraded', op. cit. (footnote 98).

<sup>117</sup> 'Tunisia Now Searches an Economic Spring', *Inter Press Service*, 29 June 2013, available at: <http://www.globalissues.org/news/2013/06/29/16945>.

in order to identify an effective reform strategy,<sup>118</sup> and, by the end of the year, the Central Bank of Tunisia's recent refinancing operations had resulted in modest improvements in the daily average total volume of dinars.<sup>119</sup>

In the short-term, Tunisia, therefore, currently faces low prospects for growth and investor confidence.<sup>120</sup> However, the medium- to long-term outlook is more positive, due to expected parliamentary elections in 2014; subsequent political stability; and a cautious 2014 budget reflecting Tunisia's commitment to economic reform.<sup>121</sup> As of the end of 2013, therefore, and assuming that the Tunisian government stabilises, international credit-rating agencies forecast 3%; 3.5%; and 4% growth for 2014; 2015; and 2016, respectively.<sup>122</sup>

Despite the difficulties in Tunisia's transition to stable democracy, the country has benefited from continued international financial support. The international community's commitment is highlighted, for example, by the 'Deauville Partnership', and the country has received bi-lateral financial support from the US; Qatar; Turkey; and Japan.<sup>123</sup> In June 2013, the government secured a 24-month, \$1.74 billion stand-by agreement (equivalent to 4% of GDP) with the IMF.<sup>124</sup> Following delays to the disbursement, Tunisia's 2014 budget was designed to reflect the economic reforms upon which the loan is contingent – including the lowering of food subsidies and the raising of certain taxes.<sup>125</sup> In response, on 29 January

2014, the IMF agreed the release of the second tranche (worth \$507 million) of the loan, enabling Tunisia to meet the majority of its public and external funding requirements for the year ahead.<sup>126</sup>

Finally, Tunisia is still regarded as a competitive business opportunity. While the impact of the revolution has seen the country fall in global business rankings, Tunisia has fared considerably better than its Arab Spring neighbours. Despite falling from 36th place in the *World Economic Forum* 2009 'Global Competitiveness' report, to 83rd place in the 2014 report (for example), Tunisia ranked much higher than Egypt (118th).<sup>127</sup> Similarly, in the three years following the revolution, Tunisia fell by five places in *The World Bank Group's* 'Doing Business' report – an annual survey of the ease of doing business around the world.<sup>128</sup> Despite this, Tunisia (ranked 51st worldwide, out of 189) remains the only North African country in the second quintile overall (countries ranked between 39th and 76th);<sup>129</sup> the Middle East and North African average was 107th, and Egypt and Libya ranked 128th and 187th, respectively.<sup>130</sup>

## Politics

Between gaining independence from France – in 1956 – and the Jasmine Revolution, Tunisia was ruled by two 'strong' men. Secular nationalist President Habib Bourguiba ruled for over 30 years before being ousted by President Zine el-Abidine Ben Ali, in a bloodless coup in 1987.<sup>131</sup> Under Ben Ali and his ruling Rally

118 'Necessity of Banking Reform in Tunisia: Three Largest Banks Face Audit', *Tunisia Live*, 19 July 2013, available at: <http://www.tunisia-live.net/2013/07/19/poor-access-to-credit-and-lack-of-bank-reform-slow-tunisian-economy/>.

119 'Press Release of the BCT Executive Board meeting held on 25 December 2013', op. cit. (footnote 106).

120 'Tunisian Government Nixes Credit Rating Contract with Standard and Poor's', op. cit. (footnote 101).

121 'Tunisia Business Forecast Report Q1 2014', op. cit. (footnote 103).

122 'Tunisia - Rating Action Report', op. cit. (footnote 80). See also: 'Tunisian Government Nixes Credit Rating Contract with Standard and Poor's', op. cit. (footnote 101).

123 'Japan agrees to grant Tunisia \$600 mln loan guarantee', *Reuters*, 20 October 2012, available at: <http://www.reuters.com/article/2012/10/20/ozabs-japan-tunisia-loan-idAFJ0E89J00120121020>. See also: 'Tunisia: NCA Adopts Two Loan Agreements With Turkey Worth 640 MTD', *AllAfrica*, 5 June 2013, available at: <http://allafrica.com/stories/201306060813.html>. See also: 'Economic Frustration Simmers Again in Tunisia', *The New York Times*, 1 December 2012, available at: [http://www.nytimes.com/2012/12/02/world/africa/economic-frustration-simmers-again-in-tunisia.html?\\_r=1&](http://www.nytimes.com/2012/12/02/world/africa/economic-frustration-simmers-again-in-tunisia.html?_r=1&).

124 'Fitch: Expected IMF Agreement Eases Pressure on Tunisia Rating', op. cit. (footnote 93).

125 'Tunisia's Arab Spring: Three years on', *Al Jazeera*, 15 January 2014, available at: <http://www.aljazeera.com/indepth/features/2014/01/tunisia-arab-spring-three-years-20141146353728616.html>.

126 'Fitch Downgrades Tunisia to "BB-"; Outlook Negative', op. cit. (footnote 96). See also: 'IMF releases \$500m loan to Tunisia as new cabinet is sworn in', *The Financial Times*, 30 January 2014, available at: <http://www.ft.com/cms/s/0/0d4647f2-89cc-11e3-8829-00144feab7de.html>.

127 'The Global Competitiveness Report 2013–2014: Full Data Edition', *World Economic Forum* (2013), p. 15, available at: [http://www3.weforum.org/docs/WEF\\_GlobalCompetitivenessReport\\_2013-14.pdf](http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2013-14.pdf).

128 Subject to retrospective adjustments for new countries and category changes, Tunisia was ranked 46th in 2012; 50th in 2013; and 51st in 2014 (See: 'Doing Business 2012: Doing business in a more transparent world', The World Bank Group (2012), available at: <http://www.doingbusiness.org/~media/FDPKM/Doing%20Business/Documents/Annual-Reports/English/DB12-FullReport.pdf>; see also: 'Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises', The World Bank Group (2013), available at: <http://doingbusiness.org/~media/GIAWB/Doing%20Business/Document/s/Annual-Reports/English/DB13-full-report.pdf>; see also: 'Doing Business 2014: Economy Profile: Tunisia', The World Bank Group (2013), available at: <http://www.doingbusiness.org/data/exploreeconomies/~media/giawb/doing%20business/documents/profiles/country/TUN.pdf?ver=2>).

129 'Doing Business 2014: Economy Profile: Tunisia', op. cit. (footnote 128), p. 6.

130 'Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises', The World Bank Group (2013), pp. 3 & 7, available at: <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB14-Full-Report.pdf>.

131 Arief, A., 'Political Transition in Tunisia', Congressional Research Service (June 2012), available at: <http://www.fas.org/sgp/crs/row/RS21666.pdf>.

for Constitutional Democracy (RCD) party, Tunisians had very few political and civil liberties. In the decade preceding Tunisia's revolution, the country was consistently categorised as 'Not Free' by the *Freedom House* annual survey of democracy and political freedoms, indicating that "basic political rights are absent, and basic civil liberties are widely and systematically denied".<sup>132</sup> In the three years prior to the revolution, Tunisia's overall rating was downgraded after receiving the worst possible score for political rights.<sup>133</sup>

Political participation was severely curbed under Ben Ali, who won five consecutive Presidential terms, standing either unopposed or against token participants. Independent political parties were either unrecognised or subject to state harassment. Opposition activists – notably, the banned Islamist movement: the Muslim Brotherhood – faced imprisonment and even torture.<sup>134</sup> While freedom of association and assembly were technically guaranteed by the constitution, in practice, Tunisians had neither political freedoms nor legal recourse to address state authoritarianism. Even Tunisia's strong labour-union tradition, a remnant of French colonialism, was often neutered by corruption and regime influence.<sup>135</sup> The judicial system was managed by the state, and politically motivated cases were routinely criticised as lacking due process: following the revolution, for example, 100 judges were publicly accused of having taken bribes from the Ministry of Justice in order to secure state-approved convictions.<sup>136</sup>

Ben Ali was forced to flee Tunisia for Saudi Arabia, on 14 January 2011, leaving Prime Minister Mohammed Ghannouchi as the head of state.<sup>137</sup> Continued protests, however, forced him to step down, and an interim government under the veteran consensus figure and former advisor to Bourguiba, Beji Caid Sebti, was established. In keeping with popular demand, Caid Sebti decided against immediate presidential elections, instead announcing elections for a National Constituent Assembly (NCA), a 217-seat interim quasi-legislative body tasked with drafting Tunisia's new constitution and with holding elections within a year.<sup>138</sup> The process was overseen by the Higher Political Reform Commission, comprising representatives from political parties and civil-society groups,<sup>139</sup> which decided that elections should be fully proportional rather than majoritarian.<sup>140</sup> It was hoped that, through the NCA, Tunisians would, together, forge a new legitimate system of governance and ensure a balance of powers.<sup>141</sup>

Many of the parties contesting seats in the NCA had previously been excluded from political participation. During the election, both the popularity and strength of the major campaigning parties indicated a societal division between secular and Islamist political ideologies. The Muslim Brotherhood's Ennahda, for example, was one of only four political parties or blocs – alongside the centre-left secular party, Congress for the Republic (CPR); the social-democratic party, the Democratic Forum of Labour and Liberties (Ettakatol); and the secular bloc, the Democratic Modernist Pole – that were strong enough to campaign in all 33 electoral districts, including those for Tunisians abroad.<sup>142</sup>

Elections took place in October 2011, with a turnout of 52% (54.1% in-country, and 29.8% abroad).<sup>143</sup>

<sup>132</sup> In 2011 (2010 data), 47 countries were deemed to be 'Not Free' – accounting for 24% of the total number of countries, and 78% of Middle East and North Africa countries (See: Puddington, A. and Eliza Young, 'Essay: The Authoritarian Challenge to Democracy', *Freedom House*, available at: <http://www.freedomhouse.org/report/freedom-world-2011/essay-authoritarian-challenge-democracy#.UuecXhDfLIU>).

<sup>133</sup> The 2001-2007 reports (2000-2006 data) rated Tunisia 'Not Free', with an overall 'Freedom Rating' of 5.5 (political rights, 6; civil liberties, 5); the 2008-2011 reports (2007-2010 data) rated Tunisia 'Not Free', with an overall 'Freedom Rating' of 6.0 (political rights, 7; civil liberties, 5) (See: 'Tunisia', *Freedom House*, available at: [http://www.freedomhouse.org/country/tunisia#.Uvd5SWJ\\_tWU](http://www.freedomhouse.org/country/tunisia#.Uvd5SWJ_tWU)).

<sup>134</sup> 'Tunisia – 2011', *Freedom House*, available at: [http://www.freedomhouse.org/report/freedom-world/2011/tunisia#.Uvd6zmJ\\_tWV](http://www.freedomhouse.org/report/freedom-world/2011/tunisia#.Uvd6zmJ_tWV).

<sup>135</sup> 'Trade unions: the revolutionary social network at play in Egypt and Tunisia', *The Guardian*, 10 February 2011, available at: <http://www.theguardian.com/commentisfree/2011/feb/10/trade-unions-egypt-tunisia>. See also: 'The UGTT Labor Union: Tunisia's Powerbroker', *Tunisia Live*, 22 January 2014, available at: <http://www.tunisia-live.net/2014/01/22/the-ugtt-labor-union-tunisas-powerbroker/>. See also: 'Tunisia – 2011', op. cit. (footnote 134).

<sup>136</sup> 'Head of Reform Panel Says Tunisia Risks Anarchy as It Moves Toward Democracy', *The New York Times*, 21 February 2011, available at: [http://www.nytimes.com/2011/02/22/world/africa/22tunisia.html?\\_r=0](http://www.nytimes.com/2011/02/22/world/africa/22tunisia.html?_r=0).

<sup>137</sup> 'Constitutional Convention for Tunisia', *Geopolitical Monitor*, 6 October 2011, available at: <http://www.geopoliticalmonitor.com/constitutional-convention-for-tunisia-4493/>.

<sup>138</sup> 'Political Transition in Tunisia', op. cit. (footnote 131).

<sup>139</sup> 'Head of Reform Panel Says Tunisia Risks Anarchy as It Moves Toward Democracy', op. cit. (footnote 136).

<sup>140</sup> Carey, J., 'Electoral Formula and the Tunisian Constituent Assembly', Dartmouth College (May 2013), p. 2, available at: <http://sites.dartmouth.edu/jcarey/files/2013/02/Tunisia-Electoral-Formula-Carey-May-2013-reduced.pdf>.

<sup>141</sup> 'Political Transition in Tunisia', op. cit. (footnote 131).

<sup>142</sup> 'Electoral Formula and the Tunisian Constituent Assembly', op. cit. (footnote 140).

<sup>143</sup> 'National Constituent Assembly Election Results Announced in Tunisia', *International Foundation for Electoral Systems*, 21 November 2011, available at: <http://www.ifes.org/Content/Publications/News-in-Brief/2011/Nov/National-Constituent-Assembly-Election-Results-Announced-in-Tunisia.aspx>.

The process was – for the first time in Tunisia's history – declared fair; transparent; and democratic, by independent observers.<sup>144</sup> Ennahda won 37% of the popular vote, more than four times the total of the next-largest alliance.<sup>145</sup> The electoral formula used to determine seat allocation (known as the 'Hare Quota with Largest Remainders', or HQ-LR), however, awarded Ennahda 89 seats in the NCA, meaning that the largest party was awarded less than a majority of seats (41%) and therefore had to negotiate.<sup>146</sup> As a result, the NCA was led by a three-party ruling coalition, with Ennahda's Hamadi Jebali as Prime Minister; the CPR's Moncef Marzouki as President; and Ettakatol's Mustafa Ben Jaafar as Speaker of the NCA.<sup>147</sup>

In Tunisia's ensuing democratic transition, the decision to use HQ-LR has had a marked effect of Tunisia's political trajectory, prioritising inclusivity and consensus-building. Had Tunisia opted for the other most common electoral formula for converting votes to seats (known as the d'Hondt divisor method), for example, Ennahda would have won 69% of NCA seats and been in a position to impose – rather than negotiate – Tunisia's constitution.<sup>148</sup> Whereas, in Egypt, the Muslim Brotherhood's Freedom and Justice Party (FJP) was accused of railroading the country's post-revolutionary constitution through an Islamist-dominated constituent assembly,<sup>149</sup> in Tunisia, the process (albeit much slower) was characterised by negotiation among increasingly diverse parties, rather than imposition by a dominant party.

By the end of 2011, therefore, Tunisians had gained substantial political and civil freedoms. In addition to free elections, jailed political activists had been released from prison, and NGOs and trade unions had been granted the legal right to operate independently from the state and to pursue political objectives. As a consequence, there was an immediate

proliferation of civil-society groups. Overall, Tunisia became a genuine electoral democracy with tangible freedoms of speech; assembly; and association. As a result, the country was re-categorised as 'Partly Free' by the *Freedom House* 2012 survey of democracy and political freedoms.<sup>150</sup>

Tunisia's progress, however, has not been linear. Early consensus on the need to achieve political reform gave way to protracted debates and popular protests over how best that could be achieved. Moments of substantive change, such as the country's first independent elections, were followed by periods of increasing political polarisation and inertia, as well as acute crises prompted by political assassinations in 2013. Throughout the latter two years since the revolution, political transition became increasingly turbulent, characterised by repeated delays to the constitution and to parliamentary elections. Throughout this time, the pre-eminent political issues included drafting the constitution and negotiating the role of Islam in public life – both of which prompted acute political and societal divisions.<sup>151</sup>

Tensions between Islamist supporters of the government and secular oppositionists increased, amid the former's concerns that Ennahda's concessions on civil freedoms were coming at the expense of the Muslim Brotherhood's long-standing goal of Islamisation.<sup>152</sup> A symbolic flashpoint between the Islamist supporters and the secular oppositionists was the role of sharia in post-revolutionary Tunisia.<sup>153</sup> In February 2012, for example, Ennahda proposed enshrining sharia as the primary source of Tunisian law. While conservative Islamists held large demonstrations in support of the proposal, Speaker Ben Jaafar threatened to resign if the proposal were adopted. By March, Ennahda appeared to have backed down, and faced strong criticism from conservative supporters – for failing to support political Islam.<sup>154</sup> This coincided with a more general concern

<sup>144</sup> 'Political Transition in Tunisia', op. cit. (footnote 131).

<sup>145</sup> 'Electoral Formula and the Tunisian Constituent Assembly', op. cit. (footnote 140).

<sup>146</sup> Ibid.

<sup>147</sup> 'Islamist Hamadi Jebali of Ennahda "to be Tunisian PM"', *BBC News*, 19 November 2011, available at: <http://www.bbc.co.uk/news/world-africa-15802056>.

<sup>148</sup> 'Electoral Formula and the Tunisian Constituent Assembly', op. cit. (footnote 140).

<sup>149</sup> 'Egypt's liberals walk out, leaving Islamists to write a constitution', *The Christian Science Monitor*, 28 March 2012, available at: <http://www.csmonitor.com/World/Middle-East/2012/0328/Egypt-s-liberals-walk-out-leaving-Islamists-to-write-a-constitution>.

<sup>150</sup> 'Tunisia – 2012', *Freedom House*, available at: [http://www.freedomhouse.org/report/freedom-world/2012/tunisia-0#.Uvd-mmJ\\_tWV](http://www.freedomhouse.org/report/freedom-world/2012/tunisia-0#.Uvd-mmJ_tWV).

<sup>151</sup> 'Tunisia's ruling Islamists start crisis talks with opposition', *Reuters*, 5 October 2013, available at: <http://www.reuters.com/article/2013/10/05/us-tunisia-crisis-idUSBRE99404Z20131005>.

<sup>152</sup> Mersch, S., 'Tunisia's Compromise Constitution', *Carnegie Endowment for International Peace*, 21 January 2014, available at: <http://carnegieendowment.org/sada/2014/01/21/tunisia-s-compromise-constitution/gyze>.

<sup>153</sup> Farrell, J., 'Tunisian Constitution: Text and Context', *Jadaliyya*, 23 August 2012, available at: [http://www.jadaliyya.com/pages/index/6991/tunisian-constitution\\_text-and-context](http://www.jadaliyya.com/pages/index/6991/tunisian-constitution_text-and-context).

<sup>154</sup> 'Political Transition in Tunisia', op. cit. (footnote 131).



from secular opposition groups and civil-society activists, about the increased levels of public extremism and the alleged reluctance of Prime Minister Jebali's government to tackle threats against freedom of expression from ultra-conservative Salafi groups.<sup>155</sup>

Rising religious extremism came to the political fore in 2013, with two political assassinations in six months – both carried out by members of the radical Salafi group, Ansar al-Sharia in Tunisia (AST) – triggering repeated political crises. The assassination of prominent secular oppositionist and leader of the left-leaning Democratic Patriots party Chokri Belaid, on 6 February 2013, and the subsequent public unrest, prompted the collapse of Prime Minister Hamadi Jebali's government. As violent demonstrators, in nationwide protests, attacked Ennahda headquarters, blaming the party for Belaid's killing, Jebali failed to secure support for a technocratic government designed to alleviate popular discontent.<sup>156</sup> His subsequent resignation, therefore, further highlighted the deep divisions not only within Tunisian society and politics, but within the ruling coalition as well.

The negotiation of a new cabinet under Prime Minister-designate Ali Larayedh, however, demonstrated a return to compromise and consensus-building, which, although evident in Tunisia's early transitional governments, had been lacking under Jebali. In February 2012, for example, Ennahda announced that it would allow independent figures to take over the four most important ministries in the next government, as a compromise to the non-Islamist opposition.<sup>157</sup> As a result, all major political parties – with the exception of the secular opposition party, Nidaa Tounes – and major unions agreed to participate in the National Dialogue,<sup>158</sup> and, in April 2013, Ennahda further

conceded to opposition demands for a mixed presidential/parliamentary system as a bulwark against authoritarianism.<sup>159</sup>

Larayedh's attempts at consensus-building, however, were derailed on 25 July 2013, by the assassination of Mohamed Brahmi (leader of the nationalist opposition, Movement of the People party).<sup>160</sup> Public responses to Brahmi's assassination mirrored those after Belaid's killing: his family accused Ennahda of fomenting the circumstances which led to his death; national strikes were called; and widespread public protests saw regional Ennahda headquarters vandalised and set alight.<sup>161</sup> Brahmi's assassination also prompted renewed opposition calls for the dissolution of the Ennahda-led government and the NCA: Beji Caid Essebi (the presidential candidate for Nidaa Tounes) and Ahmed Nejib Chebbi (leader of the opposition al-Joumhour party), for example, both publicly accused the government of failing to tackle rising religious extremism.<sup>162</sup> Tunisia's nascent Tamarod campaign, a youth opposition movement inspired by the Egyptian rebel movement's success in toppling the Muslim Brotherhood-led government, also renewed its calls to dissolve parliament.<sup>163</sup>

Weeks of stalemate and political instability followed, before Ennahda agreed, on 5 October 2013, to step down at the end of three weeks of negotiations designed to decide on a temporary caretaker administration and set a date for presidential and parliamentary elections. The November deadline for the completion of the National Dialogue was missed, further delaying the finalisation of the constitution and a timetable for elections. Delays were accompanied by increasingly political polarisation and a resurgence of fundamentalist violence. Having witnessed the political

<sup>155</sup> 'Political violence could unite Tunisia: Opposition figure', *Ahram Online*, 22 February 2013, available at: <http://english.ahram.org.eg/NewsContent/2/8/65334/World/Region/Political-violence-could-unite-Tunisia-Opposition.aspx>.

<sup>156</sup> 'Live Updates: Fallout from Leftist Politician Chokri Belaid's Assassination', *Tunisia Live*, 6 February 2013, available at: <http://www.tunisia-live.net/2013/02/06/live-updates-fallout-from-leftist-politician-chokri-belaid-assassination/>. See also: 'Tunisian PM quits after failing to form new cabinet', *Reuters*, 19 February 2013, available at: <http://uk.reuters.com/article/2013/02/19/uk-tunisia-pm-idUKBRE91I10T20130219>.

<sup>157</sup> 'Tunisia's Islamist Ennahda will cede key ministries', *Reuters*, 27 February 2013, available at: <http://www.reuters.com/article/2013/02/27/us-tunisia-politics-idUSBRE91Q0HU20130227>.

<sup>158</sup> 'Draft Constitution Completed, but Still No Consensus', *Tunisia Live*, 24 April 2013, available at: <http://www.tunisia-live.net/2013/04/24/draft-constitution-completed-but-still-no-consensus/>.

<sup>159</sup> 'Ennahdha Approves Mixed Political System', *Tunisia Live*, 29 April 2013, available at: <http://www.tunisia-live.net/2013/04/29/shura-council-adopts-the-mixed-political-regime/>.

<sup>160</sup> 'Tunisian politician Mohamed Brahmi assassinated', *BBC News*, 25 July 2013, available at: <http://www.bbc.co.uk/news/world-africa-23452979>.

<sup>161</sup> 'Assassination of Mohamed Brahmi Heightens Calls for Ouster of Government', *Tunisia Live*, 25 July 2013, available at: <http://www.tunisia-live.net/2013/07/25/tunisia-second-political-murder-this-year-heightens-calls-for-ouster-of-government/>.

<sup>162</sup> *Ibid.*  
See also: 'Nidaa Tounes, Major Opposition Party, Calls for Dissolution of Government', *Tunisia Live*, 4 July 2013, available at: <http://www.tunisia-live.net/2013/07/04/nidaa-tounes-major-opposition-party-calls-for-dissolution-of-government/>.

<sup>163</sup> *Ibid.* (both sources).  
See also: 'Tunisia's Tamarod steps up campaign to dissolve parliament', *Egypt Independent*, 14 July 2013, available at: <http://www.egyptindependent.com/news/tunisia-s-tamarod-steps-campaign-dissolve-parliament>.



disintegration in Egypt, however (following the army's removal of the Muslim Brotherhood President – Mohamed Morsi – from power, on 3 July 2013), political and public will in Tunisia was in favour of compromise. Civil-society groups, most notably the powerful Tunisian General Labour Union (UGTT), continued to spearhead further negotiations to end months of political deadlock.

Three years on from Tunisia's revolution, political negotiations and renewed consensus-building culminated with Prime Minister Ali Larayedh resigning on 9 January 2014,<sup>164</sup> and Tunisia's new caretaker government – led by former industry minister, Mehdi Jomaa – overseeing the passage of Tunisia's new constitution, on 26 January 2014. Recent political progress, however, has not assuaged political divisions within society. Video footage of the numerous disparate marches nationwide, commemorating the three-year anniversary of the revolution, demonstrates how divided the Tunisian public remains, with secular political parties marching with placards memorialising Belaid and Brahmi, while Salafi protesters – waving black and white flags of Islam – gathered separately.<sup>165</sup>

Nonetheless, while some concerns over the constitution remain, overall, it has been widely praised as progressive, by domestic and international political and human-rights groups – notably, for its protection of political and civil freedoms; of women's rights; and of freedom of religion.<sup>166</sup> Tunisians made the largest net gains in political and civil freedoms, between 2009 and 2013, of all 194 countries measured by *Freedom House*.<sup>167</sup> Moreover, the passage of Tunisia's constitution paves the way for parliamentary elections in 2014, conducted under the auspices of the country's caretaker government and a new, independent electoral board. Three years on, Tunisia appears to be the only Arab Spring country with a positive political trajectory.

## Social

Prior to the revolution, Tunisia was considered relatively progressive in some areas of public life. Long-standing gender-equality legislation from the 1950s, for example, abolished polygamy; required legal consent for marriage, from both parties; and articulated the legal right of women to ask for a divorce.<sup>168</sup> The country legalised medical abortion in 1973. As a result, Tunisia was consistently viewed as among the most progressive Arab countries for women's rights, with the country's education system and labour force also reflecting a good gender balance.<sup>169</sup> Tunisia also benefited from a regionally respected education system and an adult literacy rate of 80%.<sup>170</sup>

At the same time, however, the Ben Ali regime repressed other avenues of public life. There was no legal protection of freedom of expression in Tunisia, and media censorship was strict.<sup>171</sup> Violations of the 1975 press code's definition of libel and defamation, for example, warranted a prison sentence, and offending the President was punishable by up to five years' incarceration.<sup>172</sup> Moreover, journalists could legally be punished for spreading information liable to disrupt public order (often interpreted as that which promoted political and human rights), which led to widespread self-censorship.<sup>173</sup> As a result, under Ben Ali, no private radio or television station was editorially independent.<sup>174</sup>

Tunisia's apparent macroeconomic prosperity under Ben Ali also belied a host of structural socio-economic problems, evident in the protests which characterised the revolution. Long-term underinvestment, by the

<sup>164</sup> 'Tunisia PM Ali Larayedh hands over to Mehdi Jomaa', *BBC News*, 9 January 2014, available at: <http://www.bbc.co.uk/news/world-africa-25669687>.

<sup>165</sup> 'Tunisia's Arab Spring: Three years on', op. cit. (footnote 125).

<sup>166</sup> 'Tunisian Constitution, Praised for Balance, Nears Passage', *The New York Times*, 14 January 2014, available at: [http://www.nytimes.com/2014/01/15/world/africa/tunisian-constitution-praised-for-balance-nears-passage.html?\\_r=0](http://www.nytimes.com/2014/01/15/world/africa/tunisian-constitution-praised-for-balance-nears-passage.html?_r=0). See also: 'Tunisia finally passes progressive constitution', *The Washington Post*, 27 January 2014, available at: [http://www.washingtonpost.com/world/africa/tunisia-finally-passes-progressive-constitution/2014/01/27/8fbada48-8721-11e3-a760-a86415d0944d\\_story.html](http://www.washingtonpost.com/world/africa/tunisia-finally-passes-progressive-constitution/2014/01/27/8fbada48-8721-11e3-a760-a86415d0944d_story.html).

<sup>167</sup> Tunisia made 40 gains in its total aggregate score (0-100), as measured between 2010 and 2014 (See: 'Freedom in the World: 2014', *Freedom House* (2014), available at: <http://freedomhouse.org/sites/default/files/FIW2014%20Booklet.pdf>).

<sup>168</sup> Code of Personal Status, 1956 (See: Watts, S., 'The impact on women of changes in personal status law in Tunisia', World Health Organization (June 2007), available at: [http://www.who.int/social\\_determinants/resources/changes\\_personal\\_status\\_tunisia\\_wgkn\\_2007.pdf](http://www.who.int/social_determinants/resources/changes_personal_status_tunisia_wgkn_2007.pdf)).

<sup>169</sup> Women constitute 25% of the labour force and over 50% of university students (See: Ben Ayed, M., 'The Dynamics for Transition in Tunisia and Their Implications on the Economy', Legatum Institute (June 2013), p. 4, available at: <http://www.li.com/docs/default-source/default-document-library/2013-tunisia-ned-lecture-legatum-institute.pdf?sfvrsn=4>; see also: 'World Report 2013 – Tunisia', *Human Rights Watch*, available at: <http://www.hrw.org/world-report/2013/country-chapters/tunisia?page=1>).

<sup>170</sup> 'Stuck in Transition?', op. cit. (footnote 77), p. 33.

<sup>171</sup> 'World Report 2011', *Human Rights Watch* (2011), pp. 591-596, available at: [http://www.hrw.org/sites/default/files/related\\_material/wr2011\\_book\\_complete.pdf](http://www.hrw.org/sites/default/files/related_material/wr2011_book_complete.pdf).

<sup>172</sup> 'Tunisia – Freedom of the Press 2011', *Freedom House*, available at: <http://www.freedomhouse.org/report/freedom-press/2011/tunisia#.Utwj8xDFLIU>.

<sup>173</sup> 'World Report 2011', op. cit. (footnote 171).

<sup>174</sup> Ibid.

government, in the country's interior region had created huge regional disparities: with industry and tourism concentrated in coastal towns and urban centres, leaving citizens in the interior deprived of public services; infrastructure; and access to jobs.<sup>175</sup> Moreover, as a consequence of labour-market inefficiencies and of corruption, unemployment was also a critical issue.<sup>176</sup> While the national unemployment rate dropped slightly (from 16% to 13%) in the 20 years prior to the revolution,<sup>177</sup> the historic mismatch between higher-education training and the requisite skills for the Tunisian labour force saw graduate unemployment rise by a factor of 10 in the same period: from 2%, to reach 20% in 2010.<sup>178</sup> Youth unemployment, more broadly, averaged 29% between 2006 and 2010.<sup>179</sup>

While regional disparities; state corruption; and a lack of job opportunities were widely seen as preventing social mobility in Tunisia, the country's press was reluctant to cover the resultant political discontent. Notable exceptions were treated harshly: just six months before the revolution, a journalist was sentenced to four years' imprisonment, following his coverage of alleged state-sanctioned torture of protesters during demonstrations in the Gafsa mining region in 2008.<sup>180</sup> Overall, such was the pervasive fear of the state that national newspapers did not cover Bouazizi's self-immolation as it happened; public awareness of the burgeoning protests was a direct result of social media, as well as satellite-television channels and blogs outside the regime's control. The first press report occurred in a current-affairs magazine, just before the fall of the regime, and, according to head of the magazine's publishing company, "[e]ven then there was a big debate about whether we should print it".<sup>181</sup>

In the immediate aftermath of the revolution, however, Tunisian public life became immediately and tangibly more open. Journalists took over national newspapers, forcing directors who had acquiesced to regime demands aside, and the Ministry of Information, from which print outlets had been required to obtain copyright registration annually, was abolished.<sup>182</sup> By the end of the first year of transition, Tunisians had gained tangible media freedoms: in November 2011, for example, the transitional government passed Decrees 115 and 116 – to promote press freedoms and protect journalists' sources, as well as to establish an independent audio-visual regulatory authority.<sup>183</sup>

Under Ennahda, however, there were signs of decreasing media freedoms, as the ruling party was accused of sanctioning Salafi intimidation of opponents to political Islam. For example, the Tunis Center for Press Freedom, established following the revolution, reported that, between November 2012 and February 2013, there was a significant rise in intimidation and assaults on journalists in Tunisia.<sup>184</sup> In addition, the government continually refused to adopt Decrees 115 and 116.<sup>185</sup> Trends observed during this period included the increased prevalence of death threats against journalists, as well as the involvement and/or complicity of the security forces and members of ultra-conservative Salafi groups. Also accused of intimidation were the revolution-protection leagues – neighbourhood protection groups, organised during the security vacuum in January 2011, which became increasingly dominated by Islamists and Ennahda supporters.<sup>186</sup>

Political negotiations throughout the second half of 2013, however, prioritised a consensus-building approach to the constitution. As a result, Tunisia's final constitution guarantees that the space opened up

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<sup>175</sup> 'The Dynamics for Transition in Tunisia and Their Implications on the Economy', op. cit. (footnote 169), p.5.

<sup>176</sup> 'Stuck in Transition?', op. cit. (footnote 77), p. 33.

<sup>177</sup> 'The Revolution in Tunisia: Economic Challenges and Prospects', African Development Bank (March 2011), p. 2, available at: [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/North%20Africa%20Quarterly%20Analytical%20Anglais%20ok\\_North%20Africa%20Quarterly%20Analytical.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/North%20Africa%20Quarterly%20Analytical%20Anglais%20ok_North%20Africa%20Quarterly%20Analytical.pdf).

<sup>178</sup> Ibid.

<sup>179</sup> 'Stuck in Transition?', op. cit. (footnote 77), p. 33.

<sup>180</sup> 'World Report 2011', op. cit. (footnote 171).

<sup>181</sup> 'Tunisian media throw off censor's shackles after decades of fear and collaboration', *The Independent*, 20 January 2011, available at: <http://www.independent.co.uk/news/world/africa/tunisian-media-throw-off-censors-shackles-after-decades-of-fear-and-collaboration-2189241.html>.

<sup>182</sup> Ibid.

<sup>183</sup> 'Tunisia – Freedom of the Press 2013', *Freedom House*, available at: <http://www.freedomhouse.org/report/freedom-press/2013/tunisia#.UtxDxhDFLIU>.

<sup>184</sup> 'Press Freedom Report Shows Tunisian Media Under Threat', *Tunisia Live*, 4 January 2013, available at: <http://www.tunisia-live.net/2013/01/04/press-freedom-report-shows-tunisian-media-under-threat/>.

<sup>185</sup> 'Violence Against Journalists on the Rise After Belaid Assassination', *Tunisia Live*, 5 March 2013, available at: <http://www.tunisia-live.net/2013/03/05/violence-against-journalists-on-the-rise-after-belaid-assassination/>.

<sup>186</sup> 'What are the Leagues for the Protection of the Revolution?', *Tunisia Live*, 23 January 2013, available at: <http://www.tunisia-live.net/2013/01/23/what-is-the-league-for-the-protection-of-the-revolution/>.

to journalists after the revolution has legal protection. Some concerns remain, though: the *Committee to Protect Journalists*, for example, notes the lack of both independence from parliament and impartiality of Tunisia's long-awaited independent broadcasting authority.<sup>187</sup> Almost three years after Ben Ali's departure, however, Tunisia's constitution guarantees "[f]reedom of speech, thought and expression and media and publishing" (Article 30);<sup>188</sup> the right to access information (Article 31); the right to privacy and personal-data protection (Article 23); and prohibits any future amendment which violates human rights or freedoms (Article 43).<sup>189</sup>

The improvements to Tunisian public life, since the revolution, and the recent passage of Tunisia's constitution, however, have not been accompanied by meaningful progress on the most pressing socio-economic issues facing Tunisians: unemployment and regional disparities. In fact, the problems are now more acute. As a result of huge declines in the industry and tourism sectors – which provided employment for 32% and 12% of the Tunisian labour force, respectively –<sup>190</sup> national unemployment rose from 13% before the revolution, to 18.3% in December 2011.<sup>191</sup> A year later, unemployment remained at 17.6%, while food prices had risen dramatically and regional disparities persisted.<sup>192</sup> In December 2012, for example, violent protests erupted in the northern region of Siliana, with demonstrators calling for jobs and regional investment,<sup>193</sup> prompting the President to acknowledge – on national television – that the government had not met the expectations of the people, and to appeal for calm in Tunisia's underdeveloped interior.<sup>194</sup>

High levels of unemployment throughout 2013 continued to highlight graduate discontent and regional disparities. On the third anniversary of the revolution, in January 2014, the secretary-general of the union for unemployed graduates accused Tunisia's political elite of failing to implement planned employment programmes.<sup>195</sup> Video footage of the recent anniversary protests in the interior city of Sidi Bouzid highlights how much unemployment and regional disparity remain. With the city's unemployment rate standing at 30% – almost twice the national average – local union leaders co-ordinated anti-government chants ("employment is a right, you gang of thieves"),<sup>196</sup> and one local union leader, Lazhri Gammoudi, accused the Ennahda-led government of deliberately punishing Sidi Bouzid by failing to invest in the interior region.<sup>197</sup>

## Security

Prior to the revolution, Tunisia's security situation was considerably more stable than that of its regional neighbours. The country suffered from sporadic Islamism-inspired terrorism: Islamic Jihad, for example, claimed responsibility for four co-ordinated bomb attacks on hotels in 1987; and, in 1991, offices of the ruling RCD party were attacked, leaving one security guard dead.<sup>198</sup> The most high-profile terrorist attack in Tunisia's recent history was an al-Qaeda (AQ) suicide truck bomb outside the synagogue on the island of Djerba, in April 2002, which killed 21 tourists. Security forces also clashed violently with Islamist militants, between December 2006 and January 2007.<sup>199</sup>

Throughout his tenure, Ben Ali prioritised countering terrorism, at the expense of civil liberties and religious freedom.<sup>200</sup> In response to the Djerba attack, for example, Ben Ali passed a series of anti-terrorism laws in 2003, containing a broad definition of terrorism that was later criticised – by the UN Human Rights

<sup>187</sup> 'Tunisia constitution needs stronger free press guarantees', *Committee to Protect Journalists*, January 2014, available at: <http://www.cpj.org/blog/2014/01/tunisia-constitution-needs-stronger-free-press-gua.php>.

<sup>188</sup> Ibid.

<sup>189</sup> 'Tunisia's draft constitution raises concerns about democratic transition', *Index on Censorship*, 15 January 2014, available at: <http://www.indexoncensorship.org/2014/01/tunisia-draft-constitution-raises-concerns-democratic-transition/>.

<sup>190</sup> 'Tunisian Snapshot: 2012 Quarter 2', op. cit. (footnote 83), pp. 2-3.

<sup>191</sup> 'Tunisia: Unemployment rate (Percent of total labor force)', National Statistical Office (Latest actual data: 2012. Data last updated: October 2013), available at: <http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weorept.aspx?pr.x=81&pr.y=15&sy=2010&ey=2013&scsm=1&ssd=1&sort=country&ds=.&br=1&c=744&s=LUR&grp=0&a=>.

<sup>192</sup> 'Economic Frustration Simmers Again in Tunisia', op. cit. (footnote 123).

<sup>193</sup> Ibid.

<sup>194</sup> Ibid.

<sup>195</sup> 'Tunisia three years after the revolution', *DW*, 13 January 2014, available at: <http://www.dw.de/tunisia-three-years-after-the-revolution/a-17359203>.

<sup>196</sup> Omeira, M., 'Rethinking Informality in Light of the Arab Uprisings', International Labour Organization (March 2013), available at: [http://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms\\_218072.pdf](http://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_218072.pdf).

<sup>197</sup> 'Tunisia's Arab Spring: Three years on', op. cit. (footnote 125).

<sup>198</sup> Wolf, A., 'Tunisia: Signs of Domestic Radicalization Post-Revolution', *CTC Sentinel*, Volume 6, Issue 1 (January 2013), available at: <http://www.ctc.usma.edu/posts/tunisia-signs-of-domestic-radicalization-post-revolution>.

<sup>199</sup> 'World Report 2011', op. cit. (footnote 171).

<sup>200</sup> Ibid.

Committee – for its “lack of precision”.<sup>201</sup> Tunisia’s internal security forces, a primary power base for Ben Ali, used tight border and internal-security controls, to deter terrorist groups from forming domestically and to protect against spill-over from Islamist insurgencies in neighbouring Algeria. For Ben Ali, this was not just a security concern: tourism and foreign investment, upon which the country relied, depended on presenting a stable image of Tunisia.

The re-emergence of the Muslim Brotherhood and ultra-conservative Salafi movements, which had been oppressed and imprisoned under Ben Ali’s regime, was testimony to the political and civil freedoms that Tunisians gained from the revolution. However, it was also accompanied by a corollary rise in religious extremism and violence. Violent incidents in 2011, for example, included the firebombing of the home of the owner of a TV station, in retaliation for broadcasting an allegedly blasphemous film, and the storming of a cafe and theatre in central Tunis.<sup>202</sup>

After the Muslim Brotherhood’s Ennahda party came to power in October 2011, oppositionists and human-rights activists became increasingly worried about the presence of violence and intimidation from Salafi groups and the revolution-protection leagues. Police responses were perceived as inadequate, as, throughout 2012, violence and intimidation against secularists; artists; and institutions perceived as anti-Islamic were commonplace.<sup>203</sup> For example, while the Justice Minister responded to attacks that occurred in May 2012 – against premises licensed to sell alcohol in Sidi Bouzid – by stating that extremist activity would be challenged, no legal action followed.<sup>204</sup> While publicly condemning violence, Ennahda was repeatedly accused of failing to act against the Salafis and revolution-protection leagues, as well as of privately supporting their ultra-conservative aims. In October 2012, for example, a leaked video showed Ennahda leader Rached Ghannouchi sympathising

with Salafi leaders over both groups’ aim to ‘re-Islamise’ Tunisians. As a result, some oppositionists further accused Ennahda of complicity in acts of Salafi-jihadist terrorism.<sup>205</sup>

Belaïd’s assassination, in February 2013, was a flashpoint for Tunisia. The killing catalysed the Tunisian people (who, within hours, took to the streets in cities and towns across the country, calling for a second revolution). The fact that Belaïd had appeared on television the night before his assassination, accusing Ennahda of giving “an official green light” to political violence, was not lost on the general public – many of whom blamed the government for the killing.<sup>206</sup> Within days, at least a dozen regional Ennahda headquarters had been attacked, including in the central town of Mezzouna; the north-eastern town of el-Kef; and the north-western city of Siliana.<sup>207</sup> On the day of Belaïd’s funeral, a general strike was observed, with public transport widely affected; banks, factories, schools, and most shops closed; and all *Tunisair* flights cancelled.<sup>208</sup> The widespread and immediate nature of the protests revealed the depth of division between religious and secular elements in Tunisian society.

Among the most problematic security challenges faced by Jebali’s successor, Prime Minister Ali Larayedh, was the growing involvement of al-Qaeda in the Islamic Maghreb (AQIM) in Tunisia.<sup>209</sup> Weapons trafficking from Libya, and to northern Mali from Tunisia, had increased, with two notable AQIM-related weapons-cache seizures in Tunisia in January and February 2013 – one near the Libyan border and one in the capital, Tunis – featuring anti-tank missiles;

201 ‘World Report 2011’, op. cit. (footnote 171).

202 ‘Country Reports on Terrorism 2011’, U.S. Department of State (April 2012), pp. 121–122, available at: <http://www.state.gov/documents/organization/195768.pdf>.

203 ‘Islamist Intimidation: The Battle for the Future of Tunisia’, *Der Spiegel*, 5 December 2012, available at: <http://www.spiegel.de/international/world/salafist-intimidation-campaign-threatens-young-democracy-in-tunisia-a-870680.html>.

204 ‘Country Reports on Terrorism 2012’, U.S. Department of State (May 2013), available at: <http://www.state.gov/documents/organization/210204.pdf>.

205 ‘Tunisia Islamist leader stirs fears of radicalism in video’, *Reuters*, 11 October 2012, available at: <http://uk.reuters.com/article/2012/10/11/uk-tunisia-ghanouchi-salafis-idUKBRE89A16G20121011>.

206 ‘Tunisian opposition leader assassinated’, *The Financial Times*, 6 February 2013, available at: <http://www.ft.com/cms/s/0/873b350e-7041-11e2-85d0-00144feab49a.html>.

207 ‘Live Updates: Fallout from Leftist Politician Chokri Belaïd’s Assassination’, op. cit. (footnote 82).

208 ‘Tunisia faces general strike after Belaïd assassination sparks crisis’, *The Guardian*, 8 February 2013, available at: <http://www.theguardian.com/world/2013/feb/07/tunisia-general-strike-assassination-crisis%20>. See also: ‘Tunisia violence at funeral of opposition leader’, *The Telegraph*, 8 February 2013, available at: <http://www.telegraph.co.uk/news/worldnews/africaandindianocean/tunisia/9857818/Tunisia-violence-at-funeral-of-opposition-leader.html>.

209 Gartenstein-Ross, D.; Andrew Lebovich; and Aaron Zelin, ‘Al-Qa’ida in the Islamic Maghreb’s Tunisia Strategy’, *Combating Terrorism Center, at West Point*, 23 July 2013, available at: <http://www.ctc.usma.edu/posts/al-qaida-in-the-islamic-maghrebs-tunisia-strategy>.



landmines; and rocket-propelled grenades.<sup>210</sup> Other security-related concerns included: significant numbers of Tunisians travelling to join the Syrian conflict;<sup>211</sup> the spill-over of Islamist fighters from northern Mali;<sup>212</sup> and a significant Tunisian involvement in the terrorist attack on Algeria's In Amenas gas facility in January 2013 (11 of the 30 attackers were Tunisian).<sup>213</sup>

In the weeks after Larayedh came to power, increased Salafi-jihadist activity and heightened US concerns over AQIM in Tunisia elicited a strong response from the new Prime Minister. On 26 March 2013, the out-going Chief of the US Africa Command, Gen. Carter Ham, told a Tunisian radio station that he had no doubt that AQIM "intends to establish a presence in Tunisia". The following day, the Interior Minister, Lotfi Ben Jeddou, announced the establishment of crisis cells to combat terrorist activity (with a particular focus on the country's borders with Libya and Algeria, as well as the poorer areas in the interior – all regions in which Salafi movements command significant support).<sup>214</sup>

Also shortly after coming to power, Larayedh launched counterterrorism operations in the western provinces of Kesserine and el-Kef, targeting AQIM-linked individuals hiding in the Mount Chaambi and Bou Chebka regions near the Algerian border. National Guard and armed forces carried out search operations, tracking members of the armed Uqbah Ibn Nafaa Brigade – the AQIM-linked group responsible for the killing of a border guard at Bou Chebka, in December 2012; members of the group had escaped and were thought to have re-grouped and recruited further from within Kesserine and el-Kef.<sup>215</sup> In August 2013, the government further announced enhanced security measures in conjunction with the

Algerian authorities, specifically designed to counter this and other terrorism threats along the countries' border.<sup>216</sup> By October 2013, however, two military barracks (Faj Hassine and El Mella), had been attacked by terrorist groups, and at least 15 police and military personnel had been killed in shootings or bombings, while none of the primary suspects had been arrested.<sup>217</sup>

At the same time, Tunisia's predominant Salafi group, AST, was also becoming an increasing security concern for Larayedh. In September 2012, for example, the group had incited an attack on the US embassy and the American Cooperative School of Tunis, for which AST leader and former AQ veteran Abu Iyadh was wanted by the police.<sup>218</sup> On 17 March 2013, an AQIM statement, *Holy War in the Maghreb*, singled out AST and encouraged the group to focus on dawa (proselytising) in order to establish a domestic support base from which to challenge Tunisian secularists.<sup>219</sup> Furthermore, on 12 May 2013, an undated video message was published online, featuring Iyadh threatening war against the Ennahda-led government – which he accused of working with 'infidels' and 'traitors'.<sup>220</sup>

On assuming office in March 2013, Larayedh had publicly criticised fundamentalist Salafi groups for disrupting Tunisia's recovery, in a marked move away from the seemingly permissive policies of his predecessor.<sup>221</sup> Subsequently, there was a crackdown on public preaching by Salafi groups: online videos circulating in May 2013, for example, showed police breaking up Salafi prayer tents in the cities of Sfax; Cite al-Khadhra; and Nabeul.<sup>222</sup> Larayedh also undertook measures to prohibit Salafi mosques and

210 'Jihadists Pose Rising Threat in Tunisia', *The Wall Street Journal*, 1 April 2013, available at: <http://online.wsj.com/news/articles/SB10001424127887324662404578330353738772248>.

211 'After uprising at home, more Tunisians join Syria's civil war', *The National*, 5 June 2013, available at: <http://www.thenational.ae/news/world/after-uprising-at-home-more-tunisians-join-syrias-civil-war#ixzz2rzyVPuzF>.

212 'Jihadists hunted in Tunisia "former Mali fighters"', *AFP*, 8 May 2013, available at: [http://www.google.com/hostednews/afp/article/ALeqM5iHEN4\\_mlYVuyINM56B1snH-9lqew?docId=CNG.11d35eaa5a3c34d9c3e64ed5a909f8a.831](http://www.google.com/hostednews/afp/article/ALeqM5iHEN4_mlYVuyINM56B1snH-9lqew?docId=CNG.11d35eaa5a3c34d9c3e64ed5a909f8a.831).

213 'Algeria siege: 37 foreigners died, PM says', *BBC News*, 21 January 2013, available at: <http://www.bbc.co.uk/news/world-africa-21127646>.

214 'Tunisia to set up crisis cells to combat Al-Qaeda threat', *The Daily Star*, 28 March 2013, available at: <http://www.dailystar.com.lb/News/Middle-East/2013/Mar-28/211705-tunisia-to-set-up-crisis-cells-to-combat-al-qaeda-threat.ashx#ixzz2s00fGNYh>.

215 'Al-Qa'ida in the Islamic Maghreb's Tunisia Strategy', op. cit. (footnote 209).

216 'Restricted Security Zones to be Created Along Libya, Algeria Borders', *Tunisia Live*, 30 August 2013, available at: <http://www.tunisia-live.net/2013/08/30/restricted-security-zones-to-be-created-along-libya-algeria-borders/>.

217 'Armed extremists attack Tunisian border posts', *Magharebia*, 17 October 2013, available at: [http://magharebia.com/en\\_GB/articles/awi/newsbriefs/general/2013/10/17/newsbrief-06](http://magharebia.com/en_GB/articles/awi/newsbriefs/general/2013/10/17/newsbrief-06).

218 'Country Reports on Terrorism 2012', op. cit. (footnote 204).

219 'Al-Qa'ida in the Islamic Maghreb's Tunisia Strategy', op. cit. (footnote 209).

220 'Jihadist leader threatens war against Tunisia government', *Al Arabiya News*, 13 May 2013, available at: <http://english.alarabiya.net/en/News/africa/2013/05/13/Jihadist-leader-threatens-war-against-Tunisia-government.html>.

221 'Salafist Accuses Security Forces of "Calling for a War"', *Tunisia Live*, 13 May 2013, available at: <http://www.tunisia-live.net/2013/05/13/salafist-accuses-security-forces-of-calling-for-a-war/>.

222 'Tunisia Considers Crackdown on Radical Preachers', *Al-Monitor*, 10 May 2013, available at: <http://www.al-monitor.com/pulse/originals/2013/05/tunisia-terrorist-crackdown.html#>.

charities from facilitating travel to Syria, and AST's annual conference – due to have taken place on 19 May 2013 – was banned.<sup>223</sup>

Following the assassination of Mohamed Brahmi in July 2013, the government was under increased pressure to challenge AST, and, on 27 August 2013, the group was proscribed. The Interior Ministry alleged evidence connecting AST to both political assassinations, and further stated that Iyadh had signed an 'Allegiance Act' with AQIM.<sup>224</sup> In response to proscription, AST reiterated the group's affinity to AQ's "blessed method", but continued to assert its organisational independence.<sup>225</sup> On 10 January 2014, the US State Department designated AST a 'foreign terrorist organisation', stating that the group, "which is ideologically aligned with al-Qa'ida and tied to its affiliates, including AQIM, represents the greatest threat to U.S. interests in Tunisia".<sup>226</sup>

Despite former Prime Minister Larayedh's efforts to curb AQ-affiliated terrorism and extremism, Tunisia's security situation remains precarious. On 30 October 2013, for example, the country witnessed its first suicide bombing in 11 years, with an attack targeting a hotel in the tourist resort of Sousse. While there were no casualties other than the bomber himself, the police reportedly arrested another suicide bomber in the coastal town of Monastir and detained five others in Sousse, on suspicion of planning similar attacks.<sup>227</sup> Despite the Interior Ministry's eagerness to blame the influence of an unidentified "neighbouring country" for the attempted attacks,<sup>228</sup> it is clear that, in 2014, Tunisia faces a significant threat from home-grown Salafi-jihadist extremism.

### Conclusion

The success of Tunisia's Jasmine Revolution – the inspiration for the Arab Spring – has yet to be

determined. While the endemic corruption under Ben Ali has been dismantled, meaningful socio-economic progress remains an aspiration. Successive interim governments have pursued expansionary fiscal policies, in order to stimulate growth and narrow inequalities. Three years on, however, and the policy buffers have been reached: growth is slower than anticipated, and public spending is increasingly outstripping income. Unemployment and regional disparities, among the driving socio-economic causes of the Jasmine Revolution, continue to drive popular discontent.

Tunisia's internal security has deteriorated markedly. Increased political freedom has also ignited religious extremism and fundamentalist violence in Tunisia, and external factors such as deteriorating stability in Libya and the expansion of AQIM present additional security challenges. Many of the protections afforded by the new constitution – free speech and freedom of religious expression – are not respected by the intimidatory actions of the country's militant Salafi groups.

As Tunisians enter their fourth year of democratic transition, however, long-awaited political and civil freedoms have been realised. The country is now a genuine electoral democracy, with no barriers to political participation. While political freedoms brought increased political polarisation, the newly ratified constitution – widely praised for its progressiveness – and the turbulent negotiations that preceded it are testament to Tunisia's consensus-building, rather than unilateral, approach to reform. The voluntary stepping down of Ennahda notably marks the only instance of a ruling Islamist party voluntarily ceding power during the Arab Spring democratic transitions. Under the new caretaker government, there are renewed hopes for presidential and parliamentary elections, and, once again, the future hopes of the Arab Spring rest in Tunisia's hands.

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<sup>223</sup> 'Al-Qa'ida in the Islamic Maghreb's Tunisia Strategy', op. cit. (footnote 209).

<sup>224</sup> 'Tunisia declares Ansar al-Sharia a terrorist group', *BBC News*, 27 August 2013, available at: <http://www.bbc.co.uk/news/world-africa-23853241>.

<sup>225</sup> 'Ansar al Sharia responds to Tunisian government', *The Long War Journal*, 3 September 2013, available at: [http://www.longwarjournal.org/archives/2013/09/ansar\\_al\\_sharia\\_tuni\\_6.php](http://www.longwarjournal.org/archives/2013/09/ansar_al_sharia_tuni_6.php).

<sup>226</sup> 'Terrorist Designations of Three Ansar al-Shari'a Organizations and Leaders', U.S. Department of State, 10 January 2014, available at: <http://www.state.gov/r/pa/prs/ps/2014/01/219519.htm>.

<sup>227</sup> 'Suicide bomber attacks Tunisian resort town', *Reuters*, 30 October 2013, available at: <http://uk.reuters.com/article/2013/10/30/uk-tunisia-blast-idUKBRE99T0DX20131030>.

<sup>228</sup> Ibid.

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# **Egypt's Permanent Revolution**

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**EMILY DYER**

**GDP (real growth rate)  
(International Monetary  
Fund/World Economic  
Outlook, IMF/WEO)**

2013: + 1.8% (est.)  
2012: + 2.2%  
2011: + 1.8%  
2010: + 5.1%  
2009: + 4.7%

**GDP per capita (PPP)  
(current US\$) (IMF/WEO)**

2013: \$6,553  
2012: \$6,474  
2011: \$6,388  
2010: \$6,289  
2009: \$6,047

**Unemployment (IMF/WEO)**

2013: 13.0% (est.)  
2012: 12.3%  
2011: 12.0%  
2010: 9.1%  
2009: 9.3%

**Inflation (consumer  
prices) (IMF/WEO)**

2013: 6.9% (est.)  
2012: 8.6%  
2011: 11.1%  
2010: 11.7%  
2009: 16.2%

**Exchange rate (Egyptian  
Pound/US\$) (World Bank/CBE)**

2013: 6.8 (Nov-Dec av.)  
2012: 6.06  
2011: 5.93  
2010: 5.62  
2009: 5.54

**Long-term credit  
rating (Moody's)**

2013: Current: Caa1 (Negative)  
2012: B2 (Negative)  
2011: B2 (Under Review)  
2010: Ba1 (Stable)  
2009: Ba1 (Stable)

**GDP by origin  
industry (World Bank)**

2013: Unspecified  
2012: Services 46%; Industry 39%;  
Agriculture 14%  
2011: Services 48%; Industry 38%;  
Agriculture 15%  
2010: Services 48%; Industry 38%;  
Agriculture 14%  
2009: Services 49%; Industry 39%;  
Agriculture 14%

**Exports of goods and  
services (%GDP) (World Bank)**

2012: 17%  
2011: 21%  
2010: 21%  
2009: 25 %

**Imports of goods and  
services (%GDP) (World Bank)**

2012: 26%  
2011: 25%  
2010: 26%  
2009: 32%

**Exports, Goods and  
Services (Current US\$)**

2012: \$45.80 billion  
2011: \$48.53 billion  
2010: \$46.73 billion  
2009: \$47.16 billion

**Imports, Goods and  
Services (Current US\$)**

2012: \$67.92 billion  
2011: \$58.26 billion  
2010: \$57.19 billion  
2009: \$59.71 billion

**Total reserves  
(includes gold, current US\$)  
(World Bank/CBE)**

2013: \$17.03 billion  
2012: \$15.67 billion  
2011: \$18.63 billion  
2010: \$37.02 billion  
2009: \$34.89 billion

**Public debt (%GDP)  
(IMF) / General government  
gross debt (IMF/WEO)**

2013: 89.5%  
2012: 80.5%  
2011: 76.6%  
2010: 73.1%  
2009: 73.1%

**Current account balance  
(%GDP) (IMF/WEO)**

2013: - 2.6%  
2012: - 3.1%  
2011: - 2.6%  
2010: - 2.0%

**Production of crude oil  
(NGPL and other liquids)  
(thousand barrels per day)  
(US Energy Information  
Administration)**

2012: 722.8  
2011: 728.5  
2010: 720.2  
2009: 731.5

**Electricity production  
(kilowatt hours) (EIA)**

2013: Unspecified  
2012: Unspecified  
2011: 138.717  
2010: 138.729  
2009: 131.371

**Tourist arrivals (CAPMAS)**

2013: 8.70 million  
2012: 10.52 million  
2011: 9.85 million  
2010: 14.73 million  
2009: Unspecified



## FCO Egypt map – <sup>229</sup> last updated: 6 March 2014



Source: UK Government Foreign & Commonwealth Office

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<sup>229</sup> 'Foreign travel Egypt – Summary', UK Government Foreign & Commonwealth Office, available at: <https://www.gov.uk/foreign-travel-advice/egypt>.

## Introduction

On 25 January 2011, the Egyptian revolution brought a dramatic end to President Hosni Mubarak's three decades in power. While this date is celebrated throughout Egypt, as the first step towards achieving "bread, freedom and social justice", for many, it marks the day that their country was thrown into turmoil. What followed was acute political instability and civil unrest throughout various transitions of political power.

Shortly after the 2011 revolution, the Supreme Council of the Armed Forces (SCAF) took power for four-and-a-half months, before the victory of the Muslim Brotherhood's political wing, the Freedom and Justice Party (FJP), in Egypt's first democratic elections. A year later, on 3 July 2013, President Morsi was ousted from power, in the country's largest popular uprising to date (which began on 30 June). Egypt is now under the rule of the military, in the form of an interim government.

The three-year anniversary of the revolution marks the next phase of Egypt's political transition: parliamentary and presidential elections. As many ask what lies ahead for Egypt in 2014, the first step is to determine the extent to which its own Arab Spring has left the economy; political landscape; and security in a better- or worse-off state than before.

## Economy

The civil unrest and political instability following the 2011 revolution threw the Egyptian economy into both stagnation and steady decline. A deterioration in security led to a halt in production in many sectors, which brought about a sharp rise in unemployment and a decline in Egypt's GDP. While the Egyptian economy was already struggling with slow economic growth and a budget deficit of 8.1% prior to the 2011 revolution, the fall of Mubarak led to further stagnation in its GDP growth rate: dropping from 5.1% in 2010, to an estimated 1.8% in 2013.<sup>230</sup> With a poor flow of money into the country, the government has increasingly failed, despite a bloated subsidy programme, to meet the population's basic needs – which has played a significant part in fuelling civil unrest and political instability.

The revolution subsequently led to a sharp loss of confidence, among both tourists and investors. While tourism revenues – one of Egypt's main sources of foreign currency – stood at \$12.5 billion in 2010, they quickly dropped in 2011 to \$8.8 billion.<sup>231</sup> Moreover, while 2012 saw a slight increase in tourism revenues reaching \$9.9 billion, 2013 marked the country's worst year yet, reaching just \$6.6 billion by November.<sup>232</sup> Therefore, tourism revenues have halved since the 2011 revolution, and are showing little signs of improvement, as a result of Egypt's growing terrorist threat and volatile bouts of civil unrest. The tourism industry, along with others such as construction, has suffered a sharp loss of business and employment. Egypt's unemployment rate rose from 9% of its total labour force, in 2010, to 12% in 2011 and 13% in 2013.<sup>233</sup> While the rate of rising unemployment has slowed in recent years (compared to the dramatic increase following the revolution), it is still at its highest point since the revolution.

As a result of civil unrest following the 2011 uprising, Foreign Direct Investment (FDI) in Egypt's stock market greatly decreased, with the UK and the US leading the countries which withdrew investment. This was largely due to the heavy restrictions imposed on foreign investors, such as transfer restrictions (whereby a foreign investor cannot transfer more than \$100,000 out of Egypt per year) and delays of up to two weeks for transfers to be executed. Egypt therefore saw a huge drop in FDI inflows, following the revolution: from \$6.4 billion, to -\$0.5 billion in 2011. Despite picking up slightly in 2012 (most likely as a result of the democratic election in June), to \$2.8 billion, this was still less than half of the inflows before the revolution.<sup>234</sup>

The 2011 revolution brought about a sharp decrease in foreign-currency reserves. While, in 2010, reserves stood at \$37 billion (covering 7 months' worth of imports), continued political instability and associated economic

<sup>230</sup> 'World Economic and Financial Surveys – Regional Economic Outlook: Middle East and Central Asia', International Monetary Fund (November 2013), available at: <http://www.imf.org/external/pubs/ft/reo/2013/mcd/eng/pdf/mreo1113.pdf>.

<sup>231</sup> 'Egypt says tourist numbers rise 17 pct in 2012', *Reuters*, 22 January 2013, available at: <http://www.reuters.com/article/2013/01/22/egypt-tourism-idUSL6N0AR8CI20130122>.

<sup>232</sup> 'Egyptian tourism minister looks to future', *Al-Monitor*, 9 January 2014, available at: <http://www.al-monitor.com/pulse/business/2014/01/egypt-tourism-comeback.html>.

<sup>233</sup> 'Egypt: Unemployment rate (Percent of total labor force)', National Statistical Office (Latest actual data: 2012-2013. Data last updated: September 2013), available at: <http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weorept.aspx?pr.x=68&pr.y=18&sy=2009&cy=2018&scsm=1&ssd=1&sort=country&ds=.&br=1&c=469&s=LUR&grp=0&a>.

<sup>234</sup> 'Web table 1. FDI inflows, by region and economy, 1990-2012', United Nations Conference on Trade and Development, available at: [http://unctad.org/Sections/dite\\_dir/docs/WIR2013/WIR13\\_webtab01.xls](http://unctad.org/Sections/dite_dir/docs/WIR2013/WIR13_webtab01.xls).

uncertainty precipitated persistent capital outflows from the Egyptian economy.<sup>235</sup> This, in turn, prompted the Egyptian Central Bank to expend well over half of its reserve assets in defending the Egyptian Pound's exchange rate, resulting in a drop to \$13.4 billion in March 2013,<sup>236</sup> only slightly recovering to just over \$17 billion in December 2013.<sup>237</sup> Nonetheless, the Egyptian Pound devalued,<sup>238</sup> subsequently eroding the purchasing power of Egyptian savings, and leading, as a result, to a 5% decline in national savings between 2010 and 2013.<sup>239</sup>

As a result of falling national savings and the reduction of revenues (more people unemployed, less taxes, etc. for a long period) generated following the revolution, government investments steadily declined from 20% of GDP in 2010, to 17% in 2012 (and an estimated 16% in 2013).<sup>240</sup> Moreover, while Egypt's Balance of Payments shows the extent to which its trade deficit has increased since the 2011 revolution – from \$4.5 billion in 2010, to \$6.9 billion in 2012<sup>241</sup> <sup>242</sup> – the Egyptian government has not shown any efforts to balance this trade deficit.

Inflated government spending on its subsidy programme has prevented the structural changes needed in order to begin economic repair. Since the revolution, government spending has only slightly increased (from 30%, to 31% of total GDP) since

2011.<sup>243</sup> However, the rate of spending on the public sector, particularly its subsidy programme (9% of Egypt's GDP, in late 2013),<sup>244</sup> has become increasingly unsustainable. This has encouraged overconsumption of energy, resulting in fuel shortages, which has increased Egypt's reliance on importing costly fuel and food on the international market.

Yet, despite its bloated spending on subsidies, the government has been reluctant to introduce fuel and food subsidy reforms, due to the political implications of doing so. Reform in subsidy allocation could help to liberalise a market renowned for its downward price rigidities,<sup>245</sup> subsequently allowing more efficient food-price transmission from international commodities markets through into the domestic food market. Indeed, such rigidities have led to accumulated food-price increases of over 90%, since 2006.<sup>246</sup>

The various Egyptian uprisings have caused several shifts in regional alliances, in the form of international aid. Qatar was the main financier of the Muslim Brotherhood throughout its time in power, agreeing to loan the Brotherhood \$8 billion from as early as February 2011, providing that it was democratically elected.<sup>247</sup> Following President Morsi's electoral victory in June 2012, Qatar sent \$5 billion in loans; deposits; and grants,<sup>248</sup> followed by another low-interest loan of \$3 billion in May 2013.<sup>249</sup>

However, within weeks of President Morsi's ousting on 3 July 2013, Qatar's aid was overshadowed by the \$12

<sup>235</sup> 'Net financial account (BoP, current US\$)', The World Bank Group, World Development Indicators, available at: <http://data.worldbank.org/indicator/BN.FIN.TOTL.CD/countries/EG?display=graph>.

<sup>236</sup> 'Egypt's foreign reserves give cause for concern', *The Financial Times*, 8 May 2013, available at: <http://www.ft.com/cms/s/0/70eb5dba-b7f4-11e2-9f1a-00144feabdc0.html#axzz2mKkhqwn>.

<sup>237</sup> 'International Reserves and Reserve Template', Central Bank of Egypt, available at: <http://www.cbe.org.eg/SDDS/InternationalReserves.htm>.

<sup>238</sup> 'Egypt's currency slides as central bank attempts managed devaluation', *The Financial Times*, January 3, 2013, available at: <http://blogs.ft.com/beyond-brics/2013/01/03/egypts-currency-slide-continues-as-central-bank-attempts-managed-devaluation/#axzz2th0FH9I8>.

<sup>239</sup> 'Egypt: Gross national savings (Percent of GDP)', International Monetary Fund (Latest actual data: 2011-2012. Fiscal year: 2011-2012. Data last updated: September 2013), available at: [http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weorept.aspx?pr.x=0&pr.y=0&sy=2009&ey=2013&scsm=1&ssd=1&sort=country&ds=.&br=1&c=469&s=NGSD\\_NGDP&grp=0&a](http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weorept.aspx?pr.x=0&pr.y=0&sy=2009&ey=2013&scsm=1&ssd=1&sort=country&ds=.&br=1&c=469&s=NGSD_NGDP&grp=0&a).

<sup>240</sup> 'Egypt: Total investment (Percent of GDP)', International Monetary Fund (Latest actual data: 2011-2012. Fiscal year: 2011-2012. Data last updated: September 2013), available at: [http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weorept.aspx?pr.x=17&pr.y=11&sy=2009&ey=2013&scsm=1&ssd=1&sort=country&ds=.&br=1&c=469&s=NID\\_NGDP&grp=0&a](http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weorept.aspx?pr.x=17&pr.y=11&sy=2009&ey=2013&scsm=1&ssd=1&sort=country&ds=.&br=1&c=469&s=NID_NGDP&grp=0&a).

<sup>241</sup> 'World DataBank', The World Bank Group, available at: <http://databank.worldbank.org/data/home.aspx>.

<sup>242</sup> 'Current account balance (BoP, current US\$)', The World Bank Group, World Development Indicators, available at: <http://data.worldbank.org/indicator/BN.CAB.XOKA.CD/countries/1W-EG?display=graph>.

<sup>243</sup> Ghanem, H.; Shaikh, S., 'On the Brink: Preventing Economic Collapse and Promoting Inclusive Growth in Egypt and Tunisia', *The Brookings Project on U.S. Relations with the Islamic World* (November 2013), p.7, available at: [http://www.brookings.edu/~media/Research/Files/Papers/2013/11/us%20islamic%20world%20forum%20publications/Inclusive%20Development\\_English\\_Web.pdf](http://www.brookings.edu/~media/Research/Files/Papers/2013/11/us%20islamic%20world%20forum%20publications/Inclusive%20Development_English_Web.pdf).

<sup>244</sup> Ibid.

<sup>245</sup> Ianchovichina, E.; Loening, J.; and Christina Wood, 'How Vulnerable are Arab Countries to Global Food Price Shocks?', The World Bank Group, 1 March 2012, available at: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2031389](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2031389).

<sup>246</sup> Ianchovichina, E.; Loening, J.; and Christina Wood, 'How Vulnerable are Arab Countries to Global Food Price Shocks?', The World Bank Group, 1 March 2012, available at: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2031389](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2031389).

<sup>247</sup> 'Qatar Finds Revolution Abroad Not as Easy as Stock Picks', *Bloomberg*, 29 July 2013, available at: <http://www.bloomberg.com/news/2013-07-29/qatar-finds-revolution-abroad-not-as-easy-as-stock-picks.html>.

<sup>248</sup> 'UPDATE 4-Qatar, Libya give Egypt \$5 bln boost amid IMF talks', *Reuters*, 10 April 2013, available at: <http://www.reuters.com/article/2013/04/10/egypt-imf-idUSL5N0CX0VG20130410>.

<sup>249</sup> 'Qatar's Aid to Egypt Raises Fears on Motives', *The Wall Street Journal*, 17 May 2013, available at: <http://online.wsj.com/news/articles/SB10001424127887324031404578480771040838046>.

billion in aid promised by Kuwait; the United Arab Emirates (UAE); and Saudi Arabia. This was followed by the Central Bank of Egypt's (CBE's) decision, in September 2013, to return \$2 billion worth of aid to Qatar.<sup>250</sup> The new Gulf pledge meant that Egypt was able to avoid accepting not only further Qatari aid, but the International Monetary Fund (IMF) \$4.8 billion loan, which would have forced it to adopt unpopular austerity measures such as subsidy reforms.

However, the pledge of international aid will provide only limited support to Egypt's economy. While this recent aid helped to cover the losses from the country's declining tourism revenues and some of the costs of food and fuel imports, Egypt is still lacking the structural changes that are crucial to economic recovery. Moreover, while the most recent pledge of international aid appeared to be a clear attempt to forge regional ties, the UAE's Sheikh Mansour Bin Zayed al-Nahyan warned that "Arab support for Egypt will not last long, and Egypt should come up with innovative and unconventional solutions."<sup>251</sup> However, given the current regional power struggle, it is extremely unlikely that Saudi Arabia; Kuwait; and the UAE will withdraw its funding to Egypt, despite this apparent warning from the UAE.

The Arab Spring brought the Egyptian economy to its lowest point in decades. Nevertheless, the new interim government is making an effort to increase foreign reserves, through encouraging tourism and foreign investment. In early January, the CBE relaxed the restrictions on transfers of foreign currency. However, the new Egyptian government is currently treating a short-term solution, foreign aid, as a fix for what are long-term economic problems, an approach which is not sustainable. The economic stagnation following the 2011 revolution has not been met with a consensus on policy within the Egyptian government, and the interim leadership has yet to make a clear statement on how it plans to tackle or at least stabilise the economic situation.

## **Politics**

Egypt is, in many ways, politically, back to where it started immediately following the revolution in 2011. It is now entering a new democratic transition process and facing presidential and parliamentary elections. There are, however, marked and crucial changes. While the military is back in power, its main opponent – the Muslim Brotherhood – has been firmly ousted from the transition, having been pushed out of power following a mass uprising in June 2013, and has been labelled a terrorist organisation by the new interim government.

Egypt's political environment became increasingly divided following the 2011 revolution – largely between Islamist Muslim Brotherhood supporters and their opponents. Under the rule of President Morsi, this often erupted in violent clashes between Brotherhood supporters and the liberal, secular opposition. However, following President Morsi's ousting on 3 July 2013, violent confrontations between the military (and/or police) and Muslim Brotherhood supporters have become commonplace.

Since the revolution, those in power – from the Muslim Brotherhood, to the military – have taken steps to consolidate their ruling authority, through means which, despite appearances, have been essentially undemocratic. For example, the disproportionate number of Islamists in Egypt's Shura Council (upper house of parliament), under Muslim Brotherhood leadership, meant that the decisions of Egypt's highest democratic institution – decisions such as the passing of the electoral law – largely served the interests of the ruling party alone. The electoral law (designed to regulate parliamentary elections), for example, contained provisions designed to augment the political power of the Shura Council and Brotherhood ideology, while diminishing political opposition.

The provision to allow the use of religious slogans in election campaigns, for example, served to deepen sectarian divides and further polarise society into 'religious' and 'non-religious' groups, as well as reducing the overall fairness of democratic elections. Another electoral-law provision gave the Shura Council the power to legislate, representing a huge

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<sup>250</sup> This decision to return aid to Qatar followed a breakdown in negotiations to convert the funds into a three-year bond, and indicates a cutting of economic and diplomatic ties between the two countries (See: 'Egypt returns \$2bn to Qatar in sign of worsening bilateral ties', *The Financial Times*, 19 September 2013, available at: <http://www.ft.com/cms/s/0/194eb1f0-214a-11e3-a92a-00144feab7de.html>).

<sup>251</sup> 'Egypt Begs Gulf for Rescue', *Inter Press Service*, 1 December 2013, available at: <http://www.globalissues.org/news/2013/12/01/17892>.



shift away from its original purpose.<sup>252</sup> To solidify the power of the Shura Council, President Morsi then, in November 2012, issued a constitutional declaration removing the authority of the judiciary to dissolve the Shura Council or Constituent Assembly, or even to contest his decisions.<sup>253</sup>

As a result of this attack on Egypt's democratic institutions in order to serve its own political interests (along with many other factors, such as its crackdown on human-rights NGOs and women's rights and political participation), the Muslim Brotherhood faced increasing opposition on the streets, throughout its year in power. This opposition gave rise to the largest public protest in Egyptian history, with over 22 million people on the streets calling for the ousting of President Morsi, from 30 June 2013. As a result of the military's ultimatum (whereby it promised to forcefully intervene if the people's demands were not met), the mass uprising ended with the Muslim Brotherhood's fall from power on 3 July 2013.

The subsequent military-led interim government has also taken steps to curb the power of political opposition. Led by General al-Sisi, the military has broadly overseen the transition process, with Adly Mansour installed as interim president. In response to the backlash of street violence led by Muslim Brotherhood supporters (following 3 July), the military began a violent crackdown on Muslim Brotherhood supporters who were protesting against what they claimed was a military coup. Furthermore, the majority of the Brotherhood's leaders – including Mohamed Morsi – were either arrested or forced to flee the country. Having pushed the Muslim Brotherhood out of the political-transition process, the military then labelled the group as a terrorist organisation.<sup>254</sup>

Moreover, al-Sisi's government sentenced three of the main organisers of the 2011 revolution to three years

in prison, for demonstrating peacefully against the state.<sup>255</sup>

General al-Sisi's interim government is taking its first step towards holding new presidential and parliamentary elections – having held a referendum on the newly drafted constitution, in mid-January (whereby it reportedly received a 98% 'yes' vote).<sup>256</sup> Islamists (namely, Muslim Brotherhood supporters) are broadly rejecting the political process from which they feel they have been entirely ousted, and will instead pursue power and revenge through boycott and violence on the streets. Both sides – the military rulers and Brotherhood supporters – have not shown any sign of backing down, both viewing their survival as dependent upon the destruction of the other. Any further violence on the streets will be met with an undoubtedly heavy hand from the police and security forces.

Following the revolution, grass-roots activism was used by the Egyptian people as a way of pushing for democratic freedoms. Those who rose to power, however, then proceeded to attempt to destroy the country's democratic systems and existing freedoms. Furthermore, while Egypt is pushing forward its political transition into 2014, its deep divisions threaten to completely derail any remaining appearance of stability.

## Social

The 2011 revolution deepened social divides and worsened tensions between Muslim Brotherhood supporters and their opponents. This polarisation led to an increase in sectarian violence, largely in the form of attacks against Christians. Moreover, women and women's-rights NGOs increasingly found their rights and freedoms in reversal, particularly under the Supreme Council of the Armed Forces (SCAF) and the Muslim Brotherhood.

Immediately following the revolution, the state carried out a crackdown on human rights NGOs. In February 2011, the Hesham Mubarak Center for Law was raided, followed by a series of raids against Egyptian and international NGO offices, in December 2011. In early June 2013, the state convicted 43 NGO workers,

<sup>252</sup> In direct contrast, opposition leaders – including Salafi presidential candidate Hazem Abu Ismail and liberal opposition leader Mohamed ElBaradei – called for the elimination of the Shura Council altogether, in order to speed up the process of transferring power to civilian leadership (See: 'Shura Council Elections See Low Turnout and Voter Apathy', *Atlantic Council*, 2 February 2012, available at: <http://www.atlanticcouncil.org/blogs/egyptsource/shura-council-elections-see-low-turnout-and-voter-apaty>).

<sup>253</sup> 'Timeline of Human Rights Violations in Egypt since the Fall of Mubarak', *Freedom House*, 9 August 2013, available at: [http://www.freedomhouse.org/article/timeline-human-rights-violations-egypt-fall-mubarak#.UtQI6J5\\_trM](http://www.freedomhouse.org/article/timeline-human-rights-violations-egypt-fall-mubarak#.UtQI6J5_trM).

<sup>254</sup> 'Egypt's interim Cabinet officially labels Muslim Brotherhood a terrorist group', *CNN*, 25 December 2013, available at: <http://edition.cnn.com/2013/12/25/world/africa/egypt-muslim-brotherhood-terrorism/>.

<sup>255</sup> 'Egypt Democracy Compass', *Freedom House* (December 2013), available at: <http://www.freedomhouse.org/sites/default/files/EDC%201-3-14.pdf>.

<sup>256</sup> 'Egypt referendum: "98% back new constitution"', *BBC News*, 19 January 2014, available at: <http://www.bbc.co.uk/news/world-middle-east-25796110>.

giving them prison sentences of up to five years.<sup>257</sup> The crackdown on NGOs continued and, in some cases, worsened under Muslim Brotherhood rule, from late June 2012.

Shortly before President Morsi was ousted from power in mid-2013, his government proposed a draft NGO law to further empower the authorities' ability to restrict the activities and funding of human-rights NGOs.<sup>258</sup> Moreover, human-rights NGOs, particularly women's-rights groups, were heavily stigmatised by the Muslim Brotherhood; its political wing, the Freedom and Justice Party (FJP); and wider society. Political activists and journalists who criticised the SCAF faced military trials on a regular basis. While, under the rule of President Mubarak, military trials were largely restricted to being used against politicians, they greatly increased in number under SCAF rule and were used against a broader range of citizens – in particular, activists and journalists.<sup>259</sup>

Regardless of the crucial role that women played in the revolution, they soon faced exclusion; discrimination; and violence in the years that followed – to the extent that a recent poll by the *Thomson Reuters Foundation* named Egypt the worst place for women to live, in the Arab world.<sup>260</sup> Women have broadly been excluded from political participation, both at high-level parliamentary representation (decreasing from 10% in 2010, to 3% in 2012) and through the ability of NGOs and activists to create change through civil society.<sup>261</sup>

Alongside political marginalisation, the state played a key role in restricting women's roles in the public sphere, through segregation. Sexual segregation in public spaces increased following the 2011 revolution, particularly in February 2013, during the Muslim Brotherhood's time in power. Segregated trains carriages were introduced on several popular transport routes, and segregation was introduced in several

schools and hotels. While the state claimed that segregation was a solution to help prevent sexual harassment, it was widely viewed as part of the problem, rather than the solution, in widening the gap in understanding between men and women.<sup>262</sup>

Though sexual harassment has long been a serious problem in Egypt, sexual attacks against women are widely thought to have increased in both severity and frequency following the revolution, including mob attacks (many with sharp instruments) during large-scale protests. By late 2013, 99.3% of women reported having experienced some form of sexual harassment.<sup>263</sup> Images of women being violently harassed and beaten (most iconically, the 'blue bra' girl, who was beaten by the police) became commonplace online and in the Western media, throughout 2011 and 2012. Furthermore, while it is impossible to collect accurate information regarding the number of sexual-harassment and rape cases (due to the lack of women who go on a report the incident), the Interior Ministry claimed that reported rapes had increased from 119 in 2011, to 129 in 2012.<sup>264</sup>

Despite the inclusion of many faiths in the 2011 revolution, the state's treatment of religious minorities became markedly worse. On 9 October 2011, the army brutally assaulted a group of peaceful Coptic Christian protesters in Maspero, resulting in 28 deaths and 212 injuries. The incident included the state directly inciting violence against Christians, through state media.<sup>265</sup> Following the ousting of President Morsi on 3 July 2013, Coptic Christians in particular faced an increased level of discrimination and sectarian violence from rebel Islamist groups, many of which were thought to be closely tied to the Muslim Brotherhood.<sup>266 267</sup>

<sup>257</sup> 'Egyptian court convicts 43 NGO employees', *BBC News*, 4 June 2013, available at: <http://www.bbc.co.uk/news/world-africa-22765161>.

<sup>258</sup> Morayef, H., 'Why Egypt's New Law Regulating NGOs is Still Criminal', *Human Rights Watch*, 11 June 2013, available at: <http://www.hrw.org/news/2013/06/11/why-egypt-s-new-law-regulating-ngos-still-criminal>.

<sup>259</sup> 'Activist claims 7,000 civilians tried in military courts', *Daily News Egypt*, 9 May 2011, available at: <http://www.dailynewsegypt.com/2011/05/09/activist-claims-7000-civilians-tried-in-military-courts/>.

<sup>260</sup> 'Egypt is worst Arab state for women, Comoros best: survey', *Reuters*, 12 November 2013, available at: <http://www.reuters.com/article/2013/11/12/us-arab-women-idUSBRE9AB00820131112>.

<sup>261</sup> Dyer, E., 'Marginalising Egyptian Women', *The Henry Jackson Society* (October 2013), available at: <http://henryjacksonsociety.org/wp-content/uploads/2013/12/Marginalising-Egyptian-Women.pdf>.

<sup>262</sup> Ibid.

<sup>263</sup> 'Sexual Harassment in Egypt... The Causes and Confrontation Methods', UN Women, April 2013, available at: <http://www.un.org.eg/Publications.aspx?pageID=43>.

<sup>264</sup> 'Raped Egypt Women Wish Death Over Life as Crimes Ignored', *Bloomberg*, 7 March 2013, available at: <http://www.bloomberg.com/news/2013-03-07/raped-egypt-women-wish-death-over-life-as-crimes-ignored.html>.

<sup>265</sup> 'Timeline of Human Rights Violations in Egypt Since the Fall of Mubarak', op. cit. (footnote 253).

<sup>266</sup> 'Speaker at CSI event: Signs of Religious "Cleansing" in Islamist-Dominated Egypt', *PR Newswire*, 30 November 2012, available at: <http://www.prnewswire.com/news-releases/speaker-at-csi-event-signs-of-religious-cleansing-in-islamist-dominated-egypt-181611511.html>.

<sup>267</sup> 'Egypt: Address Recurring Sectarian Violence', *Human Rights Watch*, 10 April 2013, available at: <http://www.hrw.org/news/2013/04/10/egypt-address-recurring-sectarian-violence>.



The Egyptian revolution brought about a new struggle for power and identity between its various regimes and the wider population. In the wake of President Morsi's electoral victory, social divides between Muslim Brotherhood supporters and opponents deepened further, to the point of daily violence on the streets and the targeting of religious minorities. The state played a key role in the reversal of women's rights and roles in society, both through sexual harassment and political marginalisation.

## Security

The 2011 revolution has led to higher levels of insecurity and a greater terrorist threat to Egypt. Terrorist groups have viewed the country's weakening stability and deep political divides as providing an opportune moment to launch a campaign of jihad against its authority and infrastructure. Violence against Christians – thought to be led by Brotherhood-linked militias – has spread throughout Egyptian towns and villages. Furthermore, terrorist attacks rose sharply in the Sinai, an area which suffered a security vacuum following the erosion of the Mubarak-era police presence in the region.<sup>268</sup>

The revolution therefore led to conditions which have provided fertile ground for jihadist groups to emerge in North Sinai. These groups have used the rugged mountainous terrain and existing cross-border weapons-smuggling routes as a means of establishing a base from which to launch attacks, both in North Sinai and beyond. Reports of attacks in North Sinai increased throughout 2011 and 2012. However, following the ousting of President Morsi on 3 July 2013, the rate of reported attacks spiked, to the extent that police stations; security personnel; armoured security vehicles; and military checkpoints were being struck daily – particularly within the cities of El-Arish and Sheikh Zuweid.<sup>269</sup> Since 3 July, over 280 reported attacks have taken place in the Sinai Peninsula, the majority of which were targeted against the Egyptian police and security forces.<sup>270</sup>

The majority of terrorist groups in the region are now thought to be al-Qaeda (AQ) affiliates, and senior figures linked to AQ are reportedly taking command of terrorist operations. There is also a strong link to Hamas in Gaza, and a presence of Gaza-based groups operating in North Sinai (such as the Mujahedeen Shura Council).<sup>271</sup> Battle-hardened jihadists from Syria; Libya; Iraq; and Afghanistan have reportedly crossed the border into North Sinai, having set their sights on lawless Sinai (and potentially beyond, to Sub-Saharan Africa).<sup>272</sup>

As a result of the terrorist threat in North Sinai, the ability of Sinai peacekeepers to sustain their mission in the region is facing its biggest threat since their initial deployment 30 years ago. The team of 1,660 soldiers, 700 of whom are American, was deployed to North Sinai in 1982, in order to monitor security provisions of the 1979 Camp David peace treaty, and has been increasingly targeted by AQ-affiliated groups and Bedouin tribesmen since the 2011 revolution.<sup>273</sup>

In March 2012, a Multinational Force of Observers (MFO) camp was surrounded by Bedouin tribesmen, for eight days. Later that year, in September, another MFO camp was attacked with automatic weapons and grenades.<sup>274</sup> In April 2013, an Islamist cell with the objective of forcing peacekeepers from the Sinai was questioned after trying to bomb a Rafah military installation.<sup>275</sup> The current conditions have restricted MFO operations, to the extent that forces cannot leave their camps without body armour. Troops stationed at the biggest MFO camp (El Gorah) are having to build their own wells, so as not to have to rely on local supplies.<sup>276</sup>

<sup>268</sup> 'Smuggling in North Sinai Surges as the Police Vanish', *The New York Times*, 14 August 2011, available at: [http://www.nytimes.com/2011/08/15/world/middleeast/15sinai.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2011/08/15/world/middleeast/15sinai.html?pagewanted=all&_r=0).

<sup>269</sup> 'Tag: Sinai', *Daily News Egypt*, available at: <http://www.dailynewsegypt.com/tag/sinai/>.

<sup>270</sup> 'Ansar Jerusalem claims SAM attack as 3 soldiers killed in Sinai bus ambush', *The Long War Journal*, 26 January 2014, available at: [http://www.longwarjournal.org/archives/2014/01/ansar-jerusalem\\_clai\\_6.php](http://www.longwarjournal.org/archives/2014/01/ansar-jerusalem_clai_6.php).

<sup>271</sup> 'MSC in Jerusalem praises 3 Salafi jihadists killed in West Bank', *The Long War Journal*, 1 December 2013, available at: [http://www.longwarjournal.org/threat-matrix/archives/2013/12/msc\\_in\\_jerusalem\\_praises\\_salaf.php](http://www.longwarjournal.org/threat-matrix/archives/2013/12/msc_in_jerusalem_praises_salaf.php).

<sup>272</sup> 'Sinai: Destined to Suffer? – Egyptian civilians in crosshairs of Sinai militants', *IRIN*, 11 December 2013, available at: <http://www.irinnews.org/report/99310/egyptian-civilians-in-crosshairs-of-sinai-militants>.

<sup>273</sup> 'Sinai peacekeepers under siege as Egypt battles Islamists', *The Telegraph*, 17 September 2013, available at: <http://www.telegraph.co.uk/news/worldnews/africaandindianocan/egypt/10316199/Sinai-peacekeepers-under-siege-as-Egypt-battles-Islamists.html>.

<sup>274</sup> Schenker, D., 'Chaos in the Sinai: Will International Peacekeepers Be the Next Casualty?', *The Washington Institute*, 24 May 2013, available at: <http://www.washingtoninstitute.org/policy-analysis/view/chaos-in-the-sinai-will-international-peacekeepers-be-the-next-casualty>.

<sup>275</sup> 'Egypt authorities question militant group arrested in Egypt's Sinai', *Ahram Online*, 25 April 2013, available at: <http://english.ahram.org.eg/NewsContent/1/64/70127/Egypt/Politics-/Egypt-authorities-question-militant-group-arrested.aspx>.

<sup>276</sup> 'Sinai peacekeepers under siege as Egypt battles Islamists', op. cit. (footnote 273).

Moreover, the Sinai gas pipeline – which supplies gas to Israel – is facing an increasing threat from terrorists in the Sinai Peninsula. On 7 July 2013, there was a double Improvised Explosive Device (IED) attack on the El-Arish gas pipeline to Jordan, which had not been attacked since July 2012.<sup>277</sup> The repair team was attacked with rocket-propelled grenades, on 15 July. Rocket-propelled-grenade attacks have also occurred at El-Arish International Airport, where military aircraft are stationed.<sup>278</sup>

The rise in civil unrest and terrorism in Egypt has been met with a heavy hand from the interim government. In late 2013, as a result of continued protests and street violence, the military-backed government used excessive force against pro-Morsi activists and activists groups. Following Morsi's ousting in July 2013, the army launched a series of military operations in North Sinai, which are still ongoing. In mid-July, the army moved two additional infantry battalions to the border near Rafah, and began launching nightly air strikes aimed at destroying terrorist hideouts; vehicles; and weapons caches.<sup>279</sup>

Recent political events – the ousting of Morsi, along with the military's crackdown on the Muslim Brotherhood and on terrorist groups in North Sinai – have caused terrorist groups to call for jihad against the military-led interim government. From late 2013, jihadist groups such as Ansar Bait al-Maqdis began making frequent statements calling for Egyptians and foreign fighters to take up arms against the “apostate army” and their perceived attack on Islam.<sup>280</sup> Egyptian Islamist Mohamed al-Zawahiri (Ayman's brother) allegedly warned that, if Morsi was not reinstated, his AQ-affiliated group, Salafia el-Jihadiya (also known as Salafi Jihad Movement), would bear arms. He went on to call for the establishment of a sharia-based government and a religious police force in Egypt.

The army has also been making continued efforts to limit weapons-smuggling operations, most recently by

creating a buffer zone between North Sinai and Gaza. As a result, up to 80% or 90% of tunnels between Gaza and the Sinai have been closed, and hundreds of suspected terrorists have been arrested or killed.<sup>281</sup> However, despite this initial success, the campaign has shown limited visible success at containing the threat, as daily attacks continue against security forces.

However, the army's limited intelligence network in the region is slowing the success of its recent military campaign in the Sinai. This is largely due to a lack of trust and to disintegrating communication between Bedouin tribes and the Egyptian government, the military's key sources of information and intelligence on the ground regarding terrorist training; smuggling; etc. This weakened intelligence network has posed limitations to the army's success on curbing the terrorist threat in North Sinai. As a result, North Sinai-based terrorist groups have become emboldened to increase and broaden their attacks, both along the peninsula and throughout wider Egypt.

Groups are expanding their targets from local police and security forces in North Sinai, to the authorities and infrastructure in Cairo and the Nile Delta. In 2013, successful and failed attacks took place against vital trading routes and military bases along the Suez Canal, and against leading political figures in Cairo. In August, several cells allegedly travelled from North Sinai to Cairo, in a plot to assassinate Mohamed Ibrahim; General al-Sisi; and Mohamed ElBaradei, the three key players behind Morsi's political downfall.<sup>282</sup>

Furthermore, terrorist groups in North Sinai are also showing signs of adopting an increasingly sophisticated and organised strategy in their operations. Their plot – to travel from North Sinai to Cairo, in three armed and co-ordinated terror cells – shows not only a heightened political motivation among terrorist groups, but a marked difference in strategy and organisation from the relatively small-scale attacks on security forces in North Sinai.<sup>283</sup>

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<sup>277</sup> 'Egypt militants bomb gas pipeline to Jordan', *Al-Akhbar English*, 7 July 2013, available at: <http://english.al-akhbar.com/node/16349>.

<sup>278</sup> 'Jihadists attack number of Egyptian security posts in Sinai', *The Long War Journal*, 5 July 2013, available at: [http://www.longwarjournal.org/threat-matrix/archives/2013/07/jihadists\\_attack\\_egyptian\\_secu.php](http://www.longwarjournal.org/threat-matrix/archives/2013/07/jihadists_attack_egyptian_secu.php).

<sup>279</sup> 'Israel allows additional Egyptian troops into Sinai', *Haaretz*, 16 July 2013, available at: <http://www.haaretz.com/news/diplomacy-defense/1.535988>.

<sup>280</sup> 'Ansar Beit Al-Maqdis accuse army of committing "massacre"', *Daily News Egypt*, 16 September 2013, available at: <http://www.dailynewsegyp.com/2013/09/16/ansar-beit-al-maqdis-accuse-army-of-committing-massacre/>.

<sup>281</sup> Hakala, P.; Ishaq, N., 'Gaza's population at the breaking point', European Parliament (November 2013), available at: [http://www.europarl.europa.eu/RegData/etudes/briefing\\_note/join/2013/522309/EXPO-JOIN\\_SP\(2013\)522309\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522309/EXPO-JOIN_SP(2013)522309_EN.pdf).

<sup>282</sup> 'Alleged plot to assassinate Sisi uncovered, as Sinai violence resumes', *The Jerusalem Post*, 5 August 2013, available at: <http://www.jpost.com/Middle-East/Alleged-plot-to-assassinate-Sisi-uncovered-as-Sinai-violence-resumes-322114>.

<sup>283</sup> Ibid.

The 2011 revolution had a weakening effect on Egypt's security, which, in turn, allowed terrorist groups to continue causing damage and gain momentum. As a result, jihadist groups based in the North Sinai are likely to remain the biggest threat to the prospect of reclaimed stability, as they will continue to increase and broaden their attacks both along the peninsula and throughout wider Egypt. Despite bolstered security measures, the Suez Canal (namely, the military bases; vital trading routes; and cargo ships) and leading political figures (namely, al-Sisi) will face the greatest threat of attack. North Sinai will become a further established front for AQ and AQ-affiliated groups – not just as a place to attack, but as a base from which to run operations.

### ***Conclusion***

Egypt is in a considerably worse-off state than it was prior to the 2011 revolution. While the country is now preparing to enter its next chapter of political transition, many Egyptians feel that the aims of the 2011 revolution – “bread, freedom and social justice” – are far from being achieved. Instead, the past three years have shown economic decline; civil unrest; and reversals in women's and minority rights.

The revolution forced Egypt into several years of consistent, steady decline. From early 2011, Egypt saw a steady downturn across all fields. Many indicators, including GDP and tourism revenues, have halved since before the uprising. By 2012, the drop in FDI and tourism had pushed the economy dangerously close to grinding to a complete halt, with the country having only three months' worth of foreign reserves with which to buy food and fuel. This not only had an impact on the stock market, but on the streets – fuelling continued bouts of civil unrest and, often, violence.

Women's and minority rights became, despite initial hopes of change, decidedly worse following the revolution – particularly under the rule of the SCAF and the Muslim Brotherhood. Sexual harassment became more severe and was used as a political tool by those that took power. Furthermore, political divides throughout the country manifested in brutal attacks against Christian communities and violent clashes between Islamists and non-Islamists.

While the majority of indicators have shown slight improvements from late 2013 – perhaps suggesting

that the picture might be markedly different in six months – Egypt is still a long way from achieving political stability, much less economic recovery. Moreover, the current government's denial about the limitations of Egypt's economy will likely fuel civil unrest and violent uprisings throughout 2014.



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# **Yemen: Reversing its Downward Spiral?**

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**ROBIN SIMCOX**

**GDP (real growth rate) (IMF/WEO)**

2013: + 6.0%  
2012: + 2.4%  
2011: -12.7%  
2010: + 7.7%  
2009: +3.9%

**GDP per capita (PPP) (IMF/WEO)**

2013: \$1,518  
2012: \$1,366  
2011: \$1,318  
2010: \$1,272  
2009: \$1,060

**Inflation (consumer prices) (IMF/WEO)**

2013: 12.0% (est.)  
2012: 5.8%  
2011: 23.2%  
2010: 12.5%  
2009: 8.8%

**Exchange Rate (TND/USD) (World Bank)**

2013: No data  
2012: 214.35  
2011: 213.80  
2010: 219.59  
2009: 202.85

**GDP by origin industry (World Bank)**

2013: N/A  
2012: N/A  
2011: N/A  
2010: services 63%; industry 29%; agriculture 8%  
2009: services 52%; industry 38%; agriculture 10%

**Exports of goods & services (Current US\$) (World Bank)**

2013: N/A  
2012: N/A  
2011: N/A  
2010: 9.72 billion  
2009: 6.94 billion

**Imports of goods & services (Current US\$) (World Bank)**

2013: N/A  
2012: N/A  
2011: N/A  
2010: 11.03 billion  
2009: 9.78 billion

**Merchandise exports (current US\$) (World Bank)**

2013: Unspecified  
2012: \$8.5 billion  
2011: \$10.8 billion  
2010: \$8.4 billion  
2009: \$6.3 billion

**Merchandise imports (current US\$) (World Bank)**

2013: Unspecified  
2012: \$12 billion  
2011: \$10.03 billion  
2010: \$9.26 billion  
2009: \$9.18 billion

**Total reserves (includes gold, current US\$bn) (World Bank)**

2013: N/A  
2012: 6.15  
2011: 4.53  
2010: 5.94  
2009: 6.99

**General government gross debt (%GDP) (IMF/WEO)**

2013: 48.1%  
2012: 47.8%  
2011: 45.2%  
2010: 42.2%  
2009: 49.9%

**Current account balance (% GDP) (IMF/WEO)**

2013: -2.70%  
2012: -0.93%  
2011: -4.12%  
2010: -3.72%  
2009: -10.21%

**Production of Crude Oil, NGPL, and Other Liquids (kbpd) (EIA)**

2013: N/A  
2012: 168.7  
2011: 216.4  
2010: 280.0  
2009: 285.2

**Electricity Production (kWh) (World Bank)**

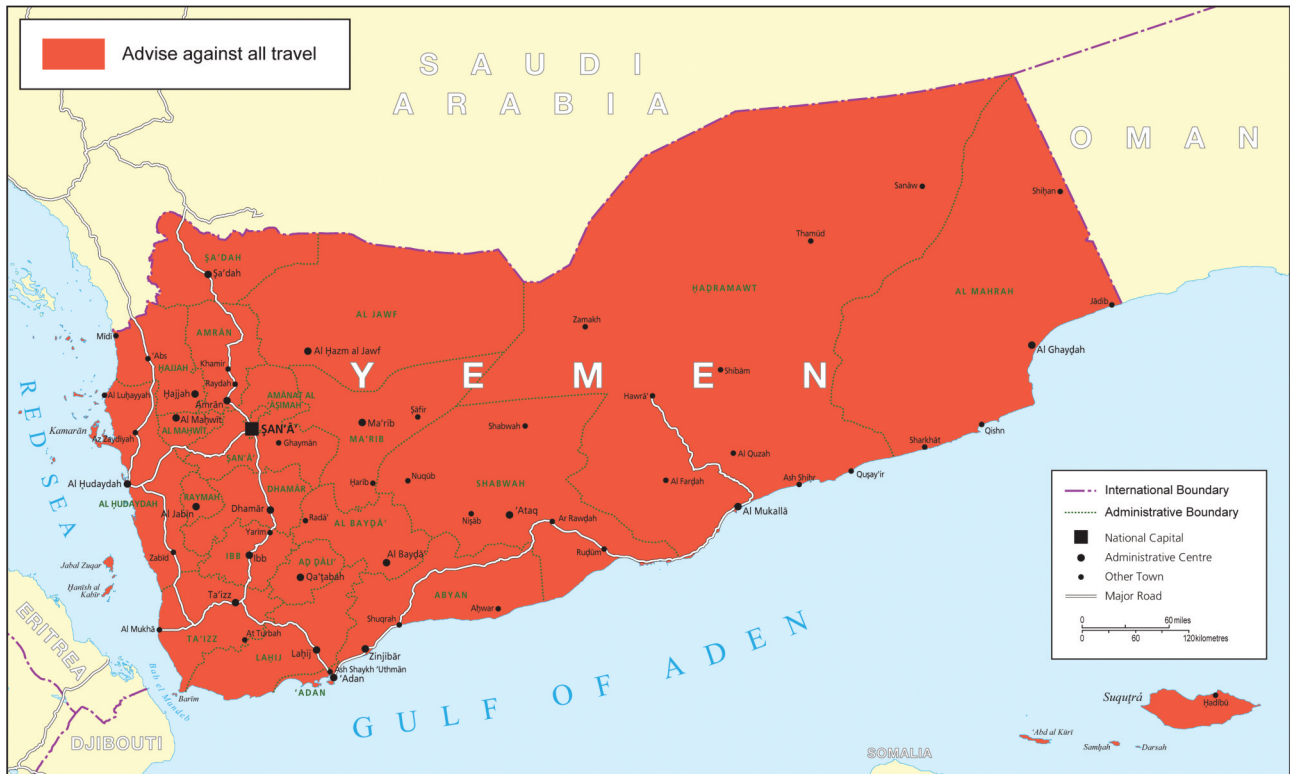
2013: N/A  
2012: N/A  
2011: 6.21 million  
2010: 7.76 million  
2009: 6.74 million

**Tourist arrivals**

2013: N/A  
2012: 874,425  
2011: 829,190  
2010: 1m  
2009: N/A



## FCO Yemen map –<sup>284</sup> last updated: 3 March 2014



Source: UK Government Foreign & Commonwealth Office

FCO 310 Edition 1 (March 2011) © Crown Copyright 2014

<sup>284</sup> 'Foreign travel Yemen – Summary', UK Government Foreign & Commonwealth Office, available at: <https://www.gov.uk/foreign-travel-advice/yemen>.

### Introduction

Mass protests engulfed Yemen in January 2011, as disaffection with poverty and government corruption led to calls for economic reform and greater democratic accountability. Over 2,000 people died during these protests, which eventually resulted in the November 2011 resignation of President Ali Abdullah Saleh, who had been in power for over 30 years.<sup>285</sup>

Saleh's resignation, brokered by the Gulf Cooperation Council (GCC), saw him replaced with his deputy, Abdurabu Mansour Hadi, who headed up a National Consensus Government. Hadi's position was confirmed by a February 2012 election, in which he was the only candidate. New elections will also take place, although no date has yet been set for when this will be.

The GCC agreement also saw the creation of a National Dialogue Conference (NDC), which aimed to create greater harmony between various competing Yemeni factions – including the tribes, the Shia Houthis in the north, the secessionist movements in the south, and the Muslim Brotherhood-aligned al-Islah party.

However, positive changes such as the departure of Saleh and the creation of the NDC have not sparked huge improvements in Yemen's economy, which suffered significantly during the turmoil of 2011. In 2012, \$7.8 billion in aid was promised by the Friends of Yemen, the collection of "countries and institutions who are supporting Yemen's political, economic and security transition".<sup>286</sup> Despite this, Yemen still remains in crisis. The majority of this aid is yet to be pledged, and the country still suffers from a catastrophic economic situation.

Furthermore, Saleh's departure did not entirely calm the political atmosphere. Protests remained frequent, with civil disobedience common in the south (where the secessionist movement remains strong). Sectarian infighting occurred in the north, between the Shia

Houthis on the one hand and Sunni Salafis on the other. On the political side, the NDC was boycotted by several key actors, and its agreements are potentially unenforceable.

These problems are exacerbated by the fact that state control outside of the capital, Sana'a, is limited. Al-Qaeda in the Arabian Peninsula (AQAP) operates freely, especially in the south-east, and poses an ongoing threat, not just within Yemen but also to the broader region and the West. Simultaneously, Saudi Arabia is competing with Qatar and Iran for influence internally, all the while constructing a security fence on its borders (due to the instability of its southern neighbour).

### Economy

While Yemen's economy continues to suffer, this is not a situation only attributable to the Arab Spring.

Inflation was a severe problem even prior to President Saleh's resignation; in fact, it was a contributory factor to the beginning of the 2011 protests.<sup>287</sup> These inflationary pressures were compounded by Yemen's GDP falling significantly in the same year.<sup>288</sup>

Looking at how this has impacted employment prospects is difficult. Ultimately, the instability in Yemen, and an insufficient amount of government monitoring, does not allow for an adequate measure of employment rates (therefore, the following figures should only serve as a guide).

Certainly, large swathes of the Yemeni population – likely between 30% and 35% – are unemployed.<sup>289</sup> The predicament is even worse among the youth, with unemployment rates estimated to be between 50%

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<sup>285</sup> 'Yemen says more than 2,000 killed in uprising', *The Washington Post*, 19 March 2012, available at: [http://www.washingtonpost.com/world/middle\\_east/yemen-says-more-than-2000-killed-in-uprising/2012/03/18/gIQAG0tLS\\_story.html](http://www.washingtonpost.com/world/middle_east/yemen-says-more-than-2000-killed-in-uprising/2012/03/18/gIQAG0tLS_story.html).

<sup>286</sup> Marriott, J., 'Yemen's International Friends', UK Government Foreign & Commonwealth Office, 24 September 2013, available at: <http://blogs.fco.gov.uk/janemarriott/2013/09/24/yemens-international-friends/>.

<sup>287</sup> 'Inflation, GDP deflator (annual %)', The World Bank Group, available at: <http://data.worldbank.org/indicator/NY.GDEDEFL.KD.ZG/countries?display=graph> and <http://data.worldbank.org/indicator/NY.GDPDEFL.KD.ZG/countries>.

<sup>288</sup> 'Yemen Overview', The World Bank Group, September 2013, available at: <http://www.worldbank.org/en/country/yemen/overview>.

<sup>289</sup> 'Yemen Unemployment Rate', *Trading Economics*, available at: <http://www.tradingeconomics.com/yemen/unemployment-rate>. See also: 'Analysis: Yemen's "youth bulge" and unemployment - an explosive mix', *IRIN*, 26 September 2010, available at: <http://www.irinnews.org/report/90572/analysis-yemen-s-youth-bulge-and-unemployment-an-explosive-mix>. One Yemeni organisation places this number as high as 50% (See: 'Yemen unemployment plan', *Yemen Post*, 18 October 2013, available at: <http://www.yemenpost.net/Detail123456789.aspx?ID=3&SubID=7293>).

and 73%.<sup>290</sup> Women are also finding it increasingly hard to find employment.<sup>291</sup>

However, these statistics were extremely concerning even before the Arab Spring. Unemployment was approximately 35% in 2003,<sup>292</sup> while youth unemployment was potentially as high as 37% – even in 2008.<sup>293</sup> Furthermore, of Yemen's population of almost 25 million, almost 50% of its citizens lived on less than \$2 a day prior to the Arab Spring.<sup>294</sup>

Other statistics also signify the perilous state of Yemen's economy. There has been an increase in poverty rates – from 42% of the population in 2009, to 54.5% in 2012 –<sup>295</sup> and Yemen's deficit has also increased: from \$527.4 million in 2011, to \$985.6 million in 2012.<sup>296</sup> Aid agencies now believe that a third of children in some parts of Yemen suffer from malnourishment.<sup>297</sup> With Yemen's population expected to double in the next quarter of a century (its population-growth rate of 2.9% places it as one of the highest in the world), these problems could get significantly worse in the coming years.<sup>298</sup>

Finally, according to the *World Economic Forum*, the global competitiveness of Yemen's economy has

diminished following the start of the Arab Spring.<sup>299</sup> According to its latest statistics, only Chad; Burundi; and Guinea have less competitive economies than Yemen's.<sup>300</sup> This lack of competitiveness is contributed to by Yemen's low literacy rates, with almost half the population illiterate.<sup>301</sup>

## Infrastructure

Yemen's main export is oil, with 300,000 barrels per day (bpd) produced.<sup>302</sup> Oil accounts for approximately 25% of Yemen's GDP, 70% of its revenue, and 90% of total exports.<sup>303</sup> However, the sustainability of this financial income is uncertain. First, oil production has dropped since 2007 (as did oil prices in late 2008, which significantly damaged Yemen's finances).<sup>304</sup> Second, unless new sources are discovered, oil supplies are currently forecasted to run out by 2024.<sup>305</sup>

Oil exports – and, subsequently, the Yemeni economy – also suffer from the frequent sabotage of critical economic infrastructure (which is mainly based in the south).

Sabotage mainly takes place against oil pipelines and electricity power lines. This contributed to the fact that, in 2011, crude-oil exports fell to their lowest level since 2009.<sup>306</sup> In July 2012, Yemen's then-Oil and Minerals Minister stated that the country had lost more than \$4 billion in revenues, since February 2011,

<sup>290</sup> There is little consensus on this issue. The 50% estimate can be found at: 'Helping young Yemenis fight unemployment', United Nations Development Programme, available at: <http://www.undp.org/content/undp/en/home/ourwork/povertyreduction/successstories/helping-young-yemenis-to-fight-unemployment.html>. A similar estimate is made by the *Yemen Education for Employment Foundation* (See: 'Analysis: Yemen's "youth bulge" and unemployment - an explosive mix', op. cit. (footnote 289)). Another Yemeni organisation, the *Studies and Economic Media Center*, believes that the statistic could be 60% (See: 'The UNDP Executes Project to Reduce Unemployment in Yemen', *Yemen Times*, 31 December 2012, available at: <http://www.yementimes.com/en/1638/news/1796/The-UNDP-executes-project-to-reduce-unemployment-in-Yemen.htm>). The *Social and Economic Development Research Center* put the number at 73% (See: 'Yemen unemployment plan', op. cit. (footnote 289)); this number is also cited here: Ahmed, I., 'Empowering youth as "the engine of transition" in Yemen', United Nations Development Programme, 22 November 2013, available at: <http://www.undp.org/content/undp/en/home/ourperspective/ourperspectivearticles/2013/11/22/empowering-youth-as-the-engine-of-transition-in-yemen-ismail-ould-cheick-ahmed/>.

<sup>291</sup> 'About Yemen', United Nations Development Programme, available at: <http://www.undp.org/content/yemen/en/home/countryinfo/>.

<sup>292</sup> 'The World Factbook: Middle East – Yemen', CIA, available at: <https://www.cia.gov/library/publications/the-world-factbook/geos/ym.html>.

<sup>293</sup> 'Yemen Cross-Sectoral Youth Assessment: Final Report', Education Development Center, Inc. (November 2008), available at: [http://pdf.usaid.gov/pdf\\_docs/PNADN990.pdf](http://pdf.usaid.gov/pdf_docs/PNADN990.pdf).

<sup>294</sup> 'Poverty headcount ratio at \$2 a day (PPP) (% of population)', The World Bank Group, available at: <http://data.worldbank.org/indicator/SLPOV.2DAY?page=1>.

<sup>295</sup> 'Yemen Overview', op. cit. (footnote 288).

<sup>296</sup> 'Yemen inflation hits 14-mth high of 14 pct in April', *Reuters*, 11 June 2013, available at: <http://www.reuters.com/article/2013/06/11/yemen-economy-idUSL5N0ENIS920130611>.

<sup>297</sup> 'Republic of Yemen', International Monetary Fund, 5 October 2012, available at: <http://www.imf.org/external/np/country/notes/yemen.htm>.

<sup>298</sup> 'About Yemen', op. cit. (footnote 291).

<sup>299</sup> 'The Global Competitiveness Report 2011–2012', World Economic Forum (2011), available at: [http://www3.weforum.org/docs/WEF\\_GCR\\_Report\\_2011-12.pdf](http://www3.weforum.org/docs/WEF_GCR_Report_2011-12.pdf). See also: 'The Global Competitiveness Report 2012–2013', World Economic Forum (2012), available at: [http://www3.weforum.org/docs/WEF\\_GlobalCompetitivenessReport\\_2012-13.pdf](http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2012-13.pdf). See also: 'Table 3: The Global Competitiveness Index 2013–2014 rankings and 2012–2013 comparisons', World Economic Forum (2013), available at: [http://www3.weforum.org/docs/GCR2013-14/GCR\\_Rankings\\_2013-14.pdf](http://www3.weforum.org/docs/GCR2013-14/GCR_Rankings_2013-14.pdf).

<sup>300</sup> 'Table 3: The Global Competitiveness Index 2013–2014 rankings and 2012–2013 comparisons', op. cit. (footnote 299).

<sup>301</sup> 'Empowering youth as "the engine of transition" in Yemen', op. cit. (footnote 290).

<sup>302</sup> 'Tribesmen launch new attack on Yemen oil pipeline', *AFP*, 27 June 2013, available at: <http://www.google.com/hostednews/afp/article/ALeqM5iqKWwXTB52qM4hv9-C7tNSBEOO7A?docId=CNG.8910fa4c2b4ba19eab3cc940948fee5.161>.

<sup>303</sup> 'The World Factbook: Middle East – Yemen', op. cit. (footnote 292). See also: 'Dark Days Loom Ahead for Yemen Oil and Gas', *Yemen Times*, 28 May 2012, available at: <http://www.yementimes.com/en/1576/report/906/Dark-days-loom-ahead-for-Yemen-oil-and-gas.htm>.

<sup>304</sup> 'Republic of Yemen', op. cit. (footnote 292).

<sup>305</sup> 'Oil in Yemen to Run Out in 12 Years', *Yemen Times*, 12 April 2012, available at: <http://www.yementimes.com/en/1563/news/696/Oil-in-Yemen-to-run-out-in-12-years.htm>.

<sup>306</sup> 'Yemen inflation hits 14-mth high of 14 pct in April', op. cit. (footnote 296).

due to sabotage.<sup>307</sup> In addition, attacks occur on Yemen's fibre-optic network. Approximately 160 attacks against telecommunications occurred during 2012, slowing phone services and leading to severe Internet shortages.<sup>308</sup>

Electricity power lines are also regularly targeted, resulting in extended periods of power blackouts. A lack of electricity has led to protests in areas such as Sana'a and Aden, against the constant power cuts, and, on 11 June 2013, the UN's envoy to Yemen, Jamal Benomar, told the UN Security Council that electricity problems were leading to "misery and anger throughout the country".<sup>309</sup> Those in Yemen who can afford it have used generators; yet, the inconsistency of oil and gas supply has made this particularly expensive.

Sabotage attacks are largely carried out by tribal groups. The motivations behind them can vary from an attempt to gain more leverage from within the government, for a certain tribe; to because individuals were promised jobs which were not subsequently provided; to retaliation for imprisoned allies; or, according to the government, because the attackers are tied to Saleh, and are looking to destabilise President Hadi. The government has attempted to mediate with the tribes, to provide financial concessions, and to use military force to stop such attacks. So far, all approaches have proved unsuccessful.

The government's inability to provide regular electricity was brought into a particularly stark contrast by Ansar al-Sharia (AAS, AQAP's insurgent arm), which controlled territory in Abyan and Shabwa, south Yemen, between March 2011 and June 2012. AAS provided certain basic services in these areas, which the government had failed to, a fact particularly highlighted by AAS itself.<sup>310</sup> A Ja'ar

resident there stated that "Ansar al-Sharia have solved many problems for us that the government [hasn't] managed to do for 20 years".<sup>311</sup>

While the end to AAS's rule over these areas was generally welcomed, electricity and water shortages (in Abyan, for example) became commonplace again after the group's departure.<sup>312</sup> In a June 2012 interview, one Ja'ar resident commented, "We have never had such disruptions under al Qaeda rule".<sup>313</sup>

Therefore, the government's inability to perform basic services is one factor in enabling AQAP to recruit sympathisers more effectively. However, other factors clearly remain relevant – such as the ideological pull, as well as the fact that AQAP can pay its members up to \$300 a month (in a country with high amounts of poverty and unemployment, this is especially significant).<sup>314</sup>

## Water

According to the UN Development Programme, Yemen suffers from a "severe" water shortage.<sup>315</sup> On average, each Yemeni can access 140 cubic meters of water per year, compared to a Middle East average of 1,000 cubic meters per person.<sup>316</sup> Unless current trends are reversed, Sana'a will be dry by 2025.<sup>317</sup>

The water shortage has particularly affected rural areas in Yemen. According to the country's General Rural Water Authority, access to an improved water source (such as piped water, protected springs, and wells) is in only approximately 34% of rural areas and 70% of urban areas. This is partly down to unregulated drilling and a growing population, but also inadequate water-resource management. For example, it is estimated that of agricultural water specifically, approximately half goes towards cultivating qat, the

307 'Yemen pipeline attacked, oil flow halts: officials', *AFP*, 30 April 2013, available at: <http://www.google.com/hostednews/afp/article/ALeqM5jQgLw1D758UUL7vDFkcvYDlwQJiA?docId=CNG.ef9d1b542a61fab25ea469929dbfaa0c.461>.

308 'Telecom Ministry: YER 2.5 bln losses caused by assaults on fiber-optic lines', *Saba News Agency*, 17 December 2012, available at: <http://www.sabanews.net/en/print291781.htm>.

309 '6976th meeting', United Nations Security Council (June 2013), available at: [http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s\\_pv\\_6976.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_pv_6976.pdf).

310 See: 'Analysis: Battle for "hearts and minds" as Yemen crisis deepens', *IRIN*, May 30, 2012, available at: <http://www.irinnews.org/Report/95554/Analysis-Battle-for-hearts-and-minds-as-Yemen-crisis-deepens>. See also: 'Toll climbs in Yemen's fight against al-Qaeda', *USA Today*, May 18, 2012, available at: <http://www.usatoday.com/news/world/story/2012-05-16/yemen-al-qaeda-war/55047454/1?csp=34news>. See also: 'Frontline: Inside Al-Qaeda's Stronghold in Yemen', *PRI*, 29 May 2012, available at: <http://www.pri.org/stories/2012-05-29/frontline-inside-al-qaedas-stronghold-yemen>.

311 'Toll climbs in Yemen's fight against al-Qaeda', op. cit. (footnote 310).

312 'Abyan after Victory', *Suhail TV*, 23 June 2012.

313 'Yemenis say al Qaeda gave town security, at a cost', *Reuters*, 18 June 2012, available at: <http://uk.reuters.com/article/2012/06/18/us-yemen-jaar-idUSBRE85H0D120120618>.

314 'Empowering youth as "the engine of transition" in Yemen', op. cit. (footnote 290).

315 'About Yemen', op. cit. (footnote 291).

316 'Humanitarian Bulletin: Yemen', OCHA (June 2012), available at: <http://reliefweb.int/sites/reliefweb.int/files/resources/OCHA%20Yemen%20Humanitarian%20Bulletin%20%234%20-%202012%20June%202012.pdf>.

317 Hefez, A., 'How Yemen Chewed Itself Dry', *Foreign Affairs*, 23 July 2013, available at: <http://www.foreignaffairs.com/articles/139596/adam-hefez/how-yemen-chewed-itself-dry>.



popular narcotic plant chewed in Yemen.<sup>318</sup> Therefore, a significant amount of water is being used on a product which is providing little revenue.

As running water in their own home is a luxury that few Yemenis can afford, free public fountains are increasingly popular. According to Abd al-Salam Razaz, the Minister of Water and Environment, there are approximately 55,000 such wells in Yemen (including unlicensed wells). However, conflicts have arisen between villages and tribes over access to these, as well as to mountain springs;<sup>319</sup> it is estimated that 70% to 80% of violence in rural Yemen is related to water supplies.<sup>320</sup> Some extra demand for water is met by private sellers in water trucks, yet not enough to mitigate the problem satisfactorily.

While local organisations and NGOs are working on water-supply issues, there is little co-ordination, and water shortages will continue to impact Yemen's overall prosperity and security.<sup>321</sup>

### Politics

#### The National Dialogue Conference

One part of the GCC Initiative that resulted in President Saleh's eventual resignation was the NDC, which began in March 2013 – with 565 representatives from varying political factions in Yemen attending. It was hoped that the NDC would be the spark for wide-scale political reconciliation; the conference ambitiously aimed to resolve a whole host of key issues.

However, the conference was boycotted by some key actors. This included the influential billionaire tribal chief, Hamid al-Ahmar (a leading member of the al-Islah party and a key opposition figure against President Saleh at the time of the 2011 uprising). Al-Ahmar justified his boycott on the grounds that some women's groups, anti-Houthi organisations, and

youth groups were under-represented.<sup>322</sup> It was also boycotted by specific hard-line southern factions that want complete secession from the north. The leader of the secessionist Southern Movement's delegation would eventually withdraw from the NDC, yet was unable to persuade all of his fellow delegates to join him – signifying the fractured nature of some of these alliances.<sup>323</sup>

Despite this, on 23 December 2013, 'The Outcome Document' was signed at the NDC. This agreement saw the participants agree to a "unified state, on the basis of federalism".<sup>324</sup> Particular progress was made on giving greater autonomy to the south, with the agreement stipulating a "special arrangement for southern representation in the executive, legislative and judicial branches, as well as in the civil service".<sup>325</sup>

Jamal Benomar said that the NDC has "established a new social contract and opened a new page in the history of Yemen, breaking from the past and paving the way for democratic governance founded on the rule of law, human rights and equal citizenship". President Hadi described the NDC as "the beginning of the road to build a new Yemen".<sup>326</sup>

One of the key questions discussed at the NDC was how many regions a federal Yemen would be divided into. The Southern Movement and the Yemeni Socialist Party broadly want a return to two federal states (North and South). Fearing that this could lead to southern secession, President Hadi's General People's Congress party and al-Islah have instead called for four to five provinces. The Southern Movement fears that this is a way of splitting their power base,<sup>327</sup> and, since some southern hard-liners boycotted the entire NDC process altogether, progress is required before a workable consensus is achieved. In February 2014, a

318 'YEMEN: Time running out for solution to water crisis', *IRIN*, 13 August 2012, available at: <http://www.irinnews.org/report/96093/yemen-time-running-out-for-solution-to-water-crisis>.

319 'Water dispute claims two lives in Ibb', *Yemen Times*, 18 April 2013, available at: <http://www.yementimes.com/en/1669/news/2241/Water-dispute-claims-two-lives-in-Ibb.htm>. See also: 'YEMEN: Water fights spark concern over refugee influx', *IRIN*, 20 July 2012, available at: <http://www.irinnews.org/report/95907/yemen-water-fights-spark-concern-over-refugee-influx>.

320 'How Yemen Chewed Itself Dry', op. cit. (footnote 317).

321 'Rainwater Harvesting in Sana'a Faces Challenges', *Yemen Times*, 29 April 2013, available at: <http://www.yementimes.com/en/1672/health/2290/Rainwater-harvesting-in-Sana%E2%80%99a-faces-challenges.htm>.

322 'Sheikh Hamid al-Ahmar to quit National Dialogue Conference', *Yemen Post*, 17 March 2013, available at: <http://www.yemenpost.net/Detail123456789.aspx?ID=3&SubID=6688>.

323 'All Talk at Yemen's National Dialogue', *The Majalla*, 25 December 2013, available at: <http://www.majalla.com/eng/2013/12/article55247584>.

324 'Transcript of Secretary-General's Press Conference', United Nations, 23 December 2013, available at: <http://www.un.org/sg/spokesperson/highlights/index.asp?HighID=12/23/2013>.

325 'UN officials welcome new Yemeni agreement on State structure, status of south', United Nations, 24 December 2013, available at: <http://www.un.org/apps/news/story.asp?NewsID=46821&Cr=&Cr1=>.

326 'Yemen's national dialogue conference concludes with agreement', *BBC News*, 21 January 2014, available at: <http://www.bbc.co.uk/news/world-middle-east-25835721>.

327 'All Talk at Yemen's National Dialogue', op. cit. (footnote 323).



presidential panel agreed to split Yemen into six regions: four in the north, two in the south. It is unclear to what extent this plan will be supported throughout Yemen, especially in the south; and what power the regional governments would possess.<sup>328</sup>

There is also likely to be a vote in 2014, on a new Yemeni constitution. This constitution is yet to be written, though shall be done so with assistance of German experts.<sup>329</sup> However, uncertainty as to the exact structure of a federalised Yemen and delays over the transition agreement have led to a delay on the federal and local elections originally scheduled for February 2014 (when President Hadi's original term ended).<sup>330</sup> Elections are now unlikely to take place until 2015 at the earliest.<sup>331</sup> The only agreement on this issue at the NDC was that they take place within nine months of the referendum on the new constitution.<sup>332</sup>

In preparation for the elections, the State-Building Working Group at the NDC has approved a closed-list, proportional-representation electoral system (of which 30% must be women).<sup>333</sup> This is a positive outcome from the NDC, yet one that can only be implemented if security conditions on the ground even allow elections to take place.

## Social Freedoms

Little progress has been made on improving human rights in Yemen. *Freedom House* categorises Yemen as 'Not Free', with civil liberties deteriorating further since the beginning of the Arab Spring. However, Yemen's 'Freedom Rating' had actually begun to decline as early

as 2010 – due to Saleh's postponement of elections, and to the government's conflicts with Houthi rebels in the north and secessionists in the south.<sup>334</sup>

In 2013, the 'Failed States Index' listed only five countries worse off than Yemen (Somalia, The Democratic Republic of the Congo, Sudan, South Sudan, and Chad). On a whole range of social; political; and economic indicators, the 'Failed States Index' classified Yemen as ranking progressively worse year-on-year since the beginning of the Arab Spring.<sup>335</sup> Furthermore, according to the *Legatum Institute's* 2013 'Prosperity Index', Yemen had shown an increasingly intolerant attitude to immigrants and minorities, while also overseeing a reduction in civil liberties.<sup>336</sup>

As with other countries impacted by the Arab Spring, women were also detained and assaulted during the protests: a long-established problem.

Women do not have the same divorce, inheritance, or custody rights as men; cannot marry without permission from a male guardian; and suffer from a lack of legal protection regarding domestic and sexual violence.<sup>337</sup> Despite excellent performance in school, they can also be excluded from public life. Yemen's strategy to increase female-enrolment rates in school to 95% by 2015 will fail, and is likely not to be hit even by 2025.<sup>338</sup> Yemen has ranked last in the *World Economic Forum's* 'Gender Gap Index' every year between 2006 and 2013.<sup>339</sup> Girls as young as eight also suffer from forced marriage.<sup>340</sup> A joint 2006 study by the UN and the Yemeni government found that approximately 14% of girls in Yemen were married

<sup>328</sup> 'Yemen to become six-region federation', *Al-Jazeera*, 10 February 2014, available at: <http://www.aljazeera.com/news/middleeast/2014/02/yemen-become-six-region-federation-2014210124731726931.html>.

<sup>329</sup> 'German experts help Yemen draft new constitution', *Aden Tribune*, 3 April 2013, available at: <http://www.adentribune.com/german-experts-help-yemen-draft-new-constitution/#>.

<sup>330</sup> 'Yemen president could stay after February 2014, says UN envoy', *AFP*, 19 November 2013, available at: <http://www.google.com/hostednews/afp/article/ALeqM5hUNUF9AkYjL6LQFANqUlrscyUcuA?docId=56215980-6601-4e49-8f70-9a31c2420edc>.

<sup>331</sup> 'Foreign Secretary welcomes Yemeni plan for elections in 2014', UK Government, 7 March 2013, available at: <https://www.gov.uk/government/news/foreign-secretary-welcomes-yemeni-plan-for-elections-in-2014>.

<sup>332</sup> 'Yemen's "national dialogue" ends in violence, no election scheduled', *Miami Herald*, 21 January 2014, available at: <http://www.miamiherald.com/2014/01/21/3884173/yemens-national-dialogue-ends.html#storylink=cpy>.

<sup>333</sup> 'A Chance for Better Representation of Independents in Future Elections', *Yemen Times*, 2 January 2014, available at: <http://www.yementimes.com/en/1743/viewpoint/3314/A-chance-for-better-representation-of-independents-in-future-elections.htm>.

<sup>334</sup> 'Yemen – 2013', *Freedom House*, available at: <http://www.freedomhouse.org/report/freedom-world/2013/yemen#.UujlsRBFDIU>. See also: 'Yemen – 2010', *Freedom House*, available at: <http://www.freedomhouse.org/report/freedom-world/2010/yemen#.Us7PXvRdWP8>.

<sup>335</sup> 'The Failed States Index 2013', *Fund For Peace*, available at: <http://ffp.statesindex.org/rankings-2013-sortable>.

<sup>336</sup> 'Yemen – The 2013 Legatum Prosperity Index', *Legatum Institute*, available at: [http://media.prosperity.com/2013/pdf/country\\_profiles/YEM.pdf](http://media.prosperity.com/2013/pdf/country_profiles/YEM.pdf).

<sup>337</sup> 'The Global Gender Gap Report 2013', World Economic Forum (2013), p. 379, available at: [http://www3.weforum.org/docs/WEF\\_GenderGap\\_Report\\_2013.pdf](http://www3.weforum.org/docs/WEF_GenderGap_Report_2013.pdf).

<sup>338</sup> 'Yemeni women marginalized even in death', *Al-Monitor*, 21 January 2014, available at: <http://www.al-monitor.com/pulse/originals/2014/01/yemen-women-marginalized-death.html#>.

<sup>339</sup> 'The Global Gender Gap Report 2013', op. cit. (footnote 337), p. 379.

<sup>340</sup> 'Yemen: Protect Women's Rights in Constitution', *Human Rights Watch*, 17 September 2013, available at: <http://www.hrw.org/news/2013/09/17/yemen-protect-women-s-rights-constitution>.

before the age of 15, and over half (52%) before the age of 18.<sup>341</sup>

However, it must be hoped that the report issued by the NDC makes some inroads into correcting this. The NDC recommended that a minimum age for marriage be introduced, with marriage before 18 years old becoming illegal. It also recommended that the new Yemeni constitution guarantee equality between the sexes; prohibit discrimination “because of gender, race, religion, opinion, and even social or economic status”; protect the right to food, water, health care, and education; and respect human-rights conventions that the state has already ratified.<sup>342</sup> Therefore, improvements to Yemen’s human-rights record are hopefully on the horizon, if the NDC’s recommendations are properly implemented.

## Security

### Al-Qaeda

AQAP continues to pose a grave security threat to Yemen. Regarded as the al-Qaeda (AQ) affiliate most operationally capable of striking within the West, it has been described by the current head of the CIA as AQ’s “most active operational franchise”.<sup>343</sup> As well as conducting regular attacks domestically, AQAP was also responsible for the Christmas Day 2009 attempt by Umar Farouk Abdulmutallab to explode a bomb concealed in his underwear on a flight from Amsterdam to Detroit, and for the October 2010 print-cartridge bombs discovered in US-bound cargo planes.

AQAP spent over a year in control of parts of Abyan and Shabwa, south Yemen, following the outbreak of the 2011 protests. They did not have to militarily defeat the army to gain control of these towns. Instead, state control over the south, virtually non-existent even prior to the Arab Spring, had evaporated entirely; as Barbara Bodine, the former US ambassador to Yemen, said, “there was simply

no-one there to stop [AQAP/AAS]”.<sup>344</sup> AQAP declared towns such as Ja’ar and Zinjibar as Islamic ‘emirates’, and was only expelled following a major military offensive in the summer of 2012. Afterwards, the group redistributed its fighters throughout Yemen – primarily to Sana’a, Marib, Lahij, Hadramout, Dhamar, al-Baitha, and Ibb.

AQAP also focused more on traditional insurgency tactics. In an attempt to weaken the state’s ability to attack it, AQAP has initiated a successful strategy of assassinating Yemeni military and security officials (usually by drive-by shootings on motorcycles); over 70 such attacks took place in 2012 alone.<sup>345</sup> However, AQAP’s most devastating attack since the beginning of the Arab Spring occurred on 20 May 2012, when a suicide bomber killed over 90 soldiers in Sana’a, as they practised for a National Unity Day parade.

In the same month, it also emerged that the US, British, and Saudi Arabian security officials had co-operated in thwarting another AQAP bomb plot against aviation. A Saudi-British national infiltrated AQAP and was handed a sophisticated underwear bomb by the group, to detonate on a flight to the US. However, the agent instead gave the device to Saudi intelligence officials working in Yemen (who subsequently gave it to the US, for closer analysis).<sup>346</sup>

AQAP was also at the centre of a major security alert in August 2013, when the US closed 22 of its embassies across the Middle East and North Africa, following intelligence intercepts between AQAP’s leader, Nasir al-Wuhayshi, and AQ’s emir, Ayman al-Zawahiri; there were fears that a large attack was due to take place against Western targets. Several European governments – including those of Britain, France, and Germany – also closed their Sana’a embassies.<sup>347</sup> The US State Department requested that all American citizens leave the country, and

341 ‘Mark Day of the Girl by Allowing Yemeni Girls a Childhood’, *Human Rights Watch*, 10 October 2013, available at: <http://www.hrw.org/news/2013/10/10/mark-day-girl-allowing-yemeni-girls-childhood>.

342 ‘Dispatches: Ending Child Marriage in Yemen’, *Human Rights Watch*, 22 January 2014, available at: <https://www.hrw.org/news/2014/01/22/dispatches-ending-child-marriage-yemen>.

343 ‘U.S. official: Al Qaeda in Yemen bigger threat than in Pakistan’, *CNN*, 18 December 2010, available at: [http://edition.cnn.com/2010/US/12/17/al.qaeda.yemen/index.html?\\_s=PM:US](http://edition.cnn.com/2010/US/12/17/al.qaeda.yemen/index.html?_s=PM:US). See also: Cruickshank, P., ‘Brennan on bin Laden raid, and “dangerous” Yemen’, *CNN*, 20 April 2012, available at: <http://security.blogs.cnn.com/2012/04/20/brennan-on-bin-laden-raid-and-dangerous-yemen/>.

344 Simcox, R., ‘Ansar al-Sharia and Governance in Southern Yemen’, *Current Trends in Islamist Ideology*, Volume 14 (January 2013), available at: <http://www.currenttrends.org/research/detail/ansar-al-sharia-and-governance-in-southern-yemen>.

345 ‘Yemeni riders protest government crackdown on motorbikes’, *Al Arabiya News*, 16 November 2012, available at: <http://english.alarabiya.net/articles/2012/11/16/249949.html>.

346 ‘Al-Qaeda leaders believed that British double agent in underwear bomb plot was from radical Islamic family’, *The Telegraph*, 12 May 2012, available at: <http://www.telegraph.co.uk/news/worldnews/al-qaeda/9262282/Al-Qaeda-leaders-believed-that-British-double-agent-in-underwear-bomb-plot-was-from-radical-Islamic-family.html>.

347 ‘UK embassy in Yemen to close amid global terror alerts’, *BBC News*, 3 August 2013, available at: <http://www.bbc.co.uk/news/uk-23559031>.

instructed all non-emergency government personnel to also depart Yemen.

While AQAP remains a highly dangerous organisation, two of its significant figures have been killed via drone strike, since the beginning of the Arab Spring. American-born cleric Anwar al-Awlaki, whose direct instructions or sermons had inspired a host of individuals to attack (or attempt to attack) targets within the West, was killed on 30 September 2011, while the death of Said al-Shehri – AQAP's Saudi deputy emir – was confirmed by AQAP, in July 2013.<sup>348</sup>

However, their removal has by no means counterbalanced the overall increase in the size of the group. Estimates of AQAP's membership in the 2009-2011 period had generally been in the low to mid-hundreds;<sup>349</sup> however, by April 2012, this number was being placed at over 1,000, by US government officials.<sup>350</sup>

### Northern and Southern opposition groups

On 21 August 2013, the Yemeni government publicly apologised to those in north and south Yemen, for wars launched against them by President Saleh (an apology that was one of the conditions of the GCC deal that saw Saleh resign).<sup>351</sup> An initiative has also been agreed, as part of the NDC which sees the creation of a compensation fund for victims of these wars.<sup>352</sup> Despite this, the Houthis and Southern-separatist groups – and the causes that animate them – remain strong in Yemen.

### Southern Movement

The Southern Movement (or, al-Hirak) – a loose network of groups that want complete autonomy, or at least much greater independence for the south – is based around the mountainous districts of al-Dhale,

Radfan, and Yafa (areas long associated with revolt and anti-government sentiment).<sup>353</sup>

Southern groups have accused the government of a variety of misdemeanours – including ignoring the south, leading to poverty and lack of opportunities; being instinctively biased in favour of the north; and illegally occupying southern land. The Southern Movement states that it is a non-violent organisation, and has distanced itself from violent attacks against northern soldiers.<sup>354</sup>

While secession has virtually no international support, the Southern Movement has a good deal of domestic popular support. Hundreds of thousands converged on Aden, for a pro-independence rally in May 2012.<sup>355</sup> The government's response to this has, at times, appeared heavy-handed. Military crackdowns on local protests (which locals say were about civil rights, rather than necessarily secessionism) have strengthened anti-northern sentiment.<sup>356</sup> Furthermore, pro-government militias have been known to man checkpoints, in order to stop protesters from reaching the south, and media outlets covering the issue have been intimidated, with state media sometimes not covering the events at all.<sup>357</sup>

### Houthi rebels

The situation with the Houthi rebels (followers of Hussein al-Houthi, the Shia Zaydi cleric killed by government forces in September 2004), is a further problem for the Yemeni government to attempt to manage. The Houthis are an insurgent group primarily based in Sa'dah, north Yemen, claiming to be violently repressed and politically marginalised by the Sana'a government. Between 2004 and Saleh's 2011 departure, six wars between the Houthis and Saleh's forces broke out, with an uneasy ceasefire reached each time. However, Houthi influence expanded after the Arab Spring: they have consolidated control of Sa'dah and have expanded their presence throughout Yemen, including to parts of Sana'a.<sup>358</sup> The Houthis have been

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<sup>348</sup> 'Arabian Al Qaeda Number Two Killed By Drone', *Sky News*, 17 July 2013, available at: <http://news.sky.com/story/1116749/arabian-al-qaeda-number-two-killed-by-drone>.

<sup>349</sup> 'Gregory Johnsen on Yemen and AQAP', *Lawfare*, 16 November 2012, available at: <http://www.lawfareblog.com/2012/11/gregory-johnsen-on-yemen-and-aqap/#.UtVdSvRdWP8>.

<sup>350</sup> 'Brennan on bin Laden raid, and "dangerous" Yemen', op. cit. (footnote 58).

<sup>351</sup> 'Historical Apology For South And Sa'ada Civil Wars', *National Yemen*, 22 August 2013, available at: <http://nationalyemen.com/2013/08/22/historical-apology-for-south-and-saada-civil-wars/>.

<sup>352</sup> McGregor, A., 'Security Forces Sidelined as Salafists Battle Houthi Shiites in Yemen', *Terrorism Monitor*, Volume 11, Issue 18 (September 2013), available at: <http://www.refworld.org/docid/524020194.html>.

<sup>353</sup> 'In some parts of Yemen, "the free south lives"', *The Christian Science Monitor*, 6 March 2013, available at: <http://www.csmonitor.com/World/Middle-East/2013/0306/In-some-parts-of-Yemen-the-free-south-lives>.

<sup>354</sup> Ibid.

<sup>355</sup> 'Yemen's Real Blackout', *Al-Monitor*, 31 May 2013, available at: <http://www.al-monitor.com/pulse/ar/contents/articles/originals/2013/05/yemen-transitional-government-mistakes-south.html>.

<sup>356</sup> 'In some parts of Yemen, "the free south lives"', op. cit. (footnote 68).

<sup>357</sup> 'Yemen's Real Blackout', op. cit. (footnote 355).

<sup>358</sup> 'Security Forces Sidelined as Salafists Battle Houthi Shiites in Yemen', op. cit. (footnote 352).

able to recruit followers, due to being perceived as one of the few non-Islamist groups to have challenged the government.

However, it is not just the government with which the Houthis have been in conflict. In October 2013, fighting broke out between Salafis and Houthis, in Dammaj (a town close to the Saudi Arabia border).<sup>359</sup> The Houthis accused the Salafis of hosting thousands of foreign jihadists as part of a planned military operation against them; the Salafis believed the Houthis to be trying to seize land, saying that the foreigners were only there to study at an Islamic institute, and that they were the ones being attacked.<sup>360</sup>

AQAP also became involved, vowing reprisal attacks against the Houthis.<sup>361</sup> This conflict spread to other northern provinces, before a ceasefire was agreed in January 2014,<sup>362</sup> and many Salafis have subsequently left Dammaj.<sup>363</sup>

## Iran

Iranian influence in Yemen is an increasing factor – and both the Houthis and al-Hirak have been a conduit for this influence. Ali Mohsen al-Ahmar, a senior defence adviser to President Hadi, has claimed that hundreds of al-Hirak and Houthi fighters have trained in Iran.<sup>364</sup>

In January 2013, a boat containing arms; rocket-propelled grenades; anti-aircraft missiles; and explosives was intercepted en route to Yemen. According to a US State Department statement, the Yemeni government believed that “these weapons were loaded onto the vessel in Iran and were intended for armed insurgents operating in Yemen”.<sup>365</sup> It is

thought that these weapons were to be distributed to both al-Hirak and the Houthis.

The Houthi connection to their fellow Shiites in Iran has long been suspected, with President Saleh’s government previously voicing its concerns on this issue.<sup>366</sup> Iran also recently used its Lebanese proxy, Hezbollah, to deepen ties with the group. Iran oversaw the training of Houthis by Hezbollah, in southern Lebanon, while Hezbollah is also thought to have sent operatives to Yemen – to further assist the Houthis.<sup>367</sup>

The Iranian links to al-Hirak are newer, with the Iranian regime reaching out to elements of the group shortly after the beginning of the Arab Spring. Iran has used Hezbollah to provide training and funding to al-Hirak militants. The conduit for al-Hirak–Iran co-operation is suspected to be the Beirut-based Ali Salim al-Beidh, the former president of South Yemen.<sup>368</sup>

This may be regarded as an unusual collaboration, due to al-Hirak being a primarily Sunni group. However, not only both are opposed to the regime in Sana’a, but this collaboration may be largely informal. Al-Hirak is a loose movement, and its officials accept that some of the more hard-line elements may have sought out training in Iran due to frustrations with the slow political progress that has been made on the southern question.<sup>369</sup>

From Iran’s perspective, seeking rapprochement with al-Hirak makes strategic sense, as it operates close to part of Bab al-Mandab, a strategic choke point for oil shipments. Tankers heading for the US and Europe use this strait, and Iran could potentially use al-Hirak to attack tankers, disrupting shipping routes.<sup>370</sup>

The ties that Iran has developed in Yemen have increased significantly since the Arab Spring, and allow it to play a role in a country that has strong links with its regional competitors. For example, the US has played an active role in Yemen, particularly with regard to counterterrorism support and military assistance. While the US only provided approximately \$26 million in aid to Yemen in 2008,<sup>371</sup> since

<sup>359</sup> ‘Security Forces Sidelined as Salafists Battle Houthi Shiites in Yemen’, op. cit. (footnote 352).

<sup>360</sup> ‘Yemen: Sectarian fighting kills dozens’, *CNN*, 3 November 2013, available at: <http://edition.cnn.com/2013/11/03/world/meast/yemen-violence/>.

<sup>361</sup> ‘Al Qaeda in Yemen vows revenge for Shi’ite rebel attack on Salafis’, *Reuters*, 13 November 2013, available at: <http://www.reuters.com/article/2013/11/13/us-yemen-strife-qaeda-idUSBRE9AC05Q20131113>.

<sup>362</sup> ‘Yemen: Houthi-Salafist ceasefire starts as NDC draws to conclusion’, *Asharq al-Awsat*, 12 January 2014, available at: <http://www.aawsat.net/2014/01/article55327076>.

<sup>363</sup> ‘Salafis are driven out of Dammaj’, *Yemen Post*, 13 January 2014, available at: <http://yemenpost.net/Detail123456789.aspx?ID=3&SubID=7493&MainCat=3>.

<sup>364</sup> ‘Fears Grow Over Yemenis’ Ties to Iran’, *The Wall Street Journal*, 20 June 2013, available at: <http://online.wsj.com/news/articles/SB10001424127887324904004578536884215565420>.

<sup>365</sup> ‘Yemeni Government Investigation into Iranian-Supplied Weapons Cache’, U.S. Department of State, 9 February 2013, available at: <http://www.state.gov/r/pa/prs/ps/2013/02/203971.htm>.

<sup>366</sup> ‘Viewing cable 09SANAA1669, BRENNAN-SALEH MEETING SEP 6, 2009’, *Wikileaks*, 6 September 2009, available at: <http://wikileaks.org/cable/2009/09/09SANAA1669.html>.

<sup>367</sup> ‘Fears Grow Over Yemenis’ Ties to Iran’, op. cit. (footnote 364).

<sup>368</sup> Ibid.

<sup>369</sup> Ibid.

<sup>370</sup> Ibid.

<sup>371</sup> Ibid.



November 2011, it has given over \$600 million (including \$356 million in 2012 alone; approximately \$158 million of this 2012 figure was for security and counterterrorism assistance).<sup>372</sup>

Furthermore, Iran's main regional competitor, the Kingdom of Saudi Arabia, has a well-established influence in Yemen, giving large cash payments to its southern neighbour's key tribal and political players, as well as huge amounts of aid.<sup>373</sup> At the same time, the Kingdom's proximity to Yemen is a source of deep concern to Saudi Arabia. Deteriorating border security after the revolution in Yemen has led to work being restarted on a 1,800km security fence being built along the Saudi border.<sup>374</sup>

Finally, Qatar also has links to Yemeni politics. Its influence comes via the primary opposition group, the Muslim Brotherhood-aligned al-Islah (that Qatar is suspected of funding), and particularly through influential billionaire Hamid al-Ahmar, a leading member of the party.<sup>375</sup>

### Conclusion

President Saleh's removal was broadly welcomed within Yemen, and allowed the opportunity for the country to forge a brighter future. That opportunity still remains, and it must be hoped that it is eventually fulfilled in the long term. However, in the short term, Yemen's fortunes have not significantly improved since Saleh's departure; in fact, on some levels, things have arguably declined.

Certain indicators – for example, on the economy and human rights – were heading in a negative direction even prior to the Arab Spring. However, the events of 2011 exacerbated this – the collapse in Yemen's GDP being a clear example. Population growth, unemployment, and water shortage are all critical issues that go essentially unaddressed; the economy remains as uncompetitive as ever; and political

freedoms have not improved to any significant extent. The country is also still being used as a playground for external actors competing for influence, with Iran and Qatar playing increasingly influential roles.

Yemen's security situation is bleaker now than pre-2011, with AQAP growing in size and offering a consistent threat to the lives of Yemenis. There is an understandable government focus on providing more effective security. This has led to the suspicion that the US – one of Yemen's key supporters on the security issue – only views the country through a lens of counterterrorism, with little concern for Yemen's long-term economic stability. However, only by improving security will the country begin to improve the confidence of external investors that Yemen is a viable place to do business, enabling the economy to pick up.

Politically, that the NDC took place – and that it included so many sections of Yemeni society – was a positive outcome that would not have occurred under President Saleh. The competing factions who signed 'The Outcome Document' must display an ongoing willingness to work together, and not backslide into political infighting. Meanwhile, a concerted government attempt to provide greater resources in the south would weaken both secessionists and AQAP in their bids to recruit new followers.

Ultimately, for all the significant levels of upheaval that have occurred in Yemen, and the impact that this has had in a variety of ways, the country is still blighted by similar problems as it was under Saleh. For all the optimism that his departure brought, it cannot change the realities of the ongoing social; economic; and security problems.

Yemen suffers from both serious security threats and a badly faltering economy. In the face of such problems, the country remains deeply unstable, with few reasons for optimism in the coming months.

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372 'U.S. Relations With Yemen', U.S. Department of State, 28 August 2013, available at: <http://www.state.gov/r/pa/ei/bgn/35836.htm>.

373 'The spreading sectarian rift', *The Economist*, 9 July 2013, available at: <http://www.economist.com/blogs/pomegranate/2013/07/yemen>.

374 'Saudi Arabia builds giant Yemen border fence', *BBC News*, 9 April 2013, available at: <http://www.bbc.co.uk/news/world-middle-east-22086231>.

375 'Security Forces Sidelined as Salafists Battle Houthi Shiites in Yemen', op. cit. (footnote 67). See also: 'Power struggle emerges over Yemen', *The Financial Times*, 14 April 2013, available at: <http://www.ft.com/cms/s/0/e52dc5fc-a28a-11e2-9b70-00144feabdc0.html?siteedition=uk#axzz2q197T4Y9>.



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# **Libya: A Failed State in the Making?**

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**OLIVIER GUITTA**

## **GDP (real growth rate)**

2013 (forecast): - 5.1 % (International Monetary Fund, IMF)  
 2012: + 104.5 % (IMF)  
 2011: -62.1 % (IMF)  
 2010: + 5 % (IMF)  
 2009: -0.8% (IMF)

## **GDP per capita (current US\$)**

2013 (forecast): \$10,863.6 (IMF)  
 2012: \$12,777.8 (IMF)  
 2011: \$5,513.4 (IMF)  
 2010: \$ 11,728.8 (IMF)  
 2009: \$10,070.6 (IMF)

## **Unemployment**

2013: 15% (Libyan Ministry of Labour)  
 2012: 19.5% (Trading Economics) / 26% (Libyan Ministry of Labour) / 30% (International Labour Organisation, ILO)  
 2011: 19.5 % (Trading Economics)  
 2010: 20.7% (Trading Economics) / 13.5% IMF  
 2009 (est.): 20.7% (Reuters)

## **Inflation rate (consumer prices)**

2013: 3.6% (IMF)  
 2012: 6.1% (IMF)  
 2011: 15.9% (IMF)  
 2010: 2.5% (IMF)  
 2009: 2.5% (IMF)

## **Exchange rate (LYD/USD)**

2013: Unspecified  
 2012: 1.26 (World Bank, WB)  
 2011: 1.22 (WB)  
 2010: 1.27 (WB)  
 2009: 1.25 (WB)

## **Long term credit rating**

3/01/13: NR (Standard & Poor's, S&P)  
 10/03/11: BB (S&P)

## **GDP by origin industry**

2012: Services 54.9%, Industry 43.5%, Agriculture 1.6% (Index mundi / CIA)  
 2011: Services 39.7%, Industry 56.7%, Agriculture 3.6% (Global Finance)

## **Exports (volume of exports of goods and services % change)**

2013: -36.8% (IMF)  
 2012: 225.4% (IMF)  
 2011: -69.1% (IMF)  
 2010: -0.7% (IMF)  
 2009: -7% (IMF)

## **Imports (volume of imports of goods and services % change)**

2013: 11.8% (IMF)  
 2012: 147.9% (IMF)  
 2011: -54.1% (IMF)  
 2010: 10.5% (IMF)  
 2009: 20.7% (IMF)

## **Reserves of forex & gold**

2013: Unspecified  
 2012: \$ 124.65 billion (WB)  
 2011: \$ 110.54 billion (WB)  
 2010: \$ 106.14 billion (WB)  
 2009: \$ 103.73 billion (WB)

## **Public debt (%GDP)**

2013: 0% (IMF)  
 2012: 0% (IMF)  
 2011: 0% (IMF)  
 2010: 0% (IMF)  
 2009: 0% (IMF)

## **Current account balance (% GDP)**

2013: -4.7% (IMF)  
 2012: 29.2% (IMF)  
 2011: 9.1% (IMF)  
 2010: 19.5% (IMF)  
 2009: 14.9% (IMF)

## **Crude oil production**

2013: 233 889 bpd (Libya Oil Ministry)  
 2012: 1,483,900 bpd (US Energy Information Administration, EIA)  
 2011: 502,400 bpd (US EIA)  
 2010: 1,790,000 bpd (US EIA)  
 2009: 1,790,000 bpd (US EIA)

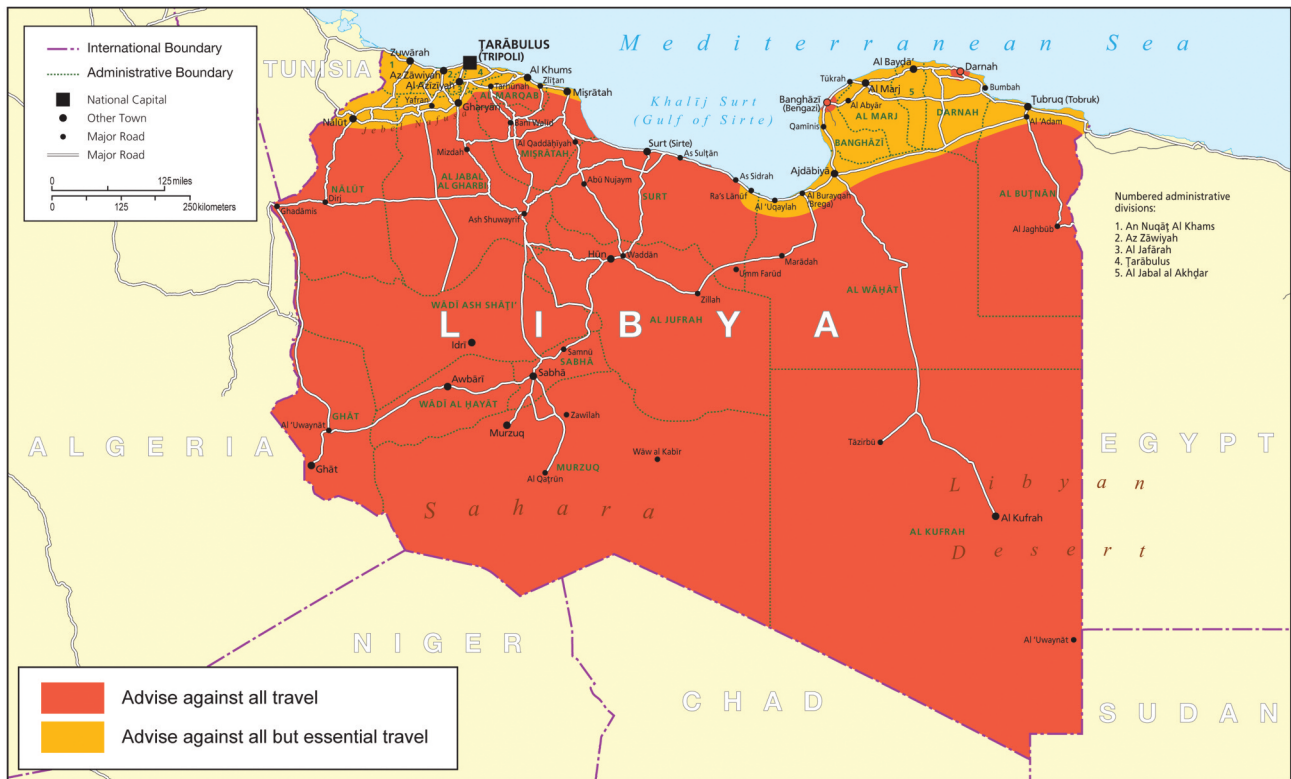
## **Electricity production**

2011: 27,614 billion kWh (World Bank)  
 2010: 29,716 bn kwh (US EIA)  
 2009: 28,600 bn kwh (US EIA)

## **Tourist arrivals**

2013: Unspecified  
 2012: Unspecified  
 2011: 2,300 million (World Bank)  
 2010: 2,180 million (World Bank)

## FCO Libya map –<sup>376</sup> last updated: 16 February 2014



Source: UK Government Foreign & Commonwealth Office

FCO 306 Edition 2 (October 2013) © Crown Copyright 2013

<sup>376</sup> 'Foreign travel advice: Libya – Summary', UK Government Foreign & Commonwealth Office, available at: <https://www.gov.uk/foreign-travel-advice/libya>.

## Introduction

Having ruled Libya for 42 years, Muammar Gaddafi came to his final demise in October 2011, after a bloody eight-month civil war. The country was then governed for ten months by the National Transitional Council (NTC), until the elections for the General National Congress (GNC) were held. In November 2012, the new incoming Prime Minister, Ali Zeidan, was tasked to run the country in a very difficult climate: in fact, there has been a real political vacuum, which has been filled by the militias that de facto control Libya. The failure of the government to ensure security even just within the capital, Tripoli, as shown by now former Prime Minister Zeidan's kidnapping in October 2013, has made Libya a very unsafe place, where tribal conflicts are recurrent; al-Qaeda (AQ) has gained ground in the south; and militias are roaming free. Aside from the security concern, other areas are very worrisome: for instance, the judicial system has been used as a tool for revenge; violations of human rights are regular occurrences; and the country has been the hub for the migratory trafficking in Africa. Lastly, the economic situation is not really brilliant, following the recent huge drop in oil production – a sector which still represents 90% of the GDP.

## Economy

Libya's economic indicators in 2013 suggest a real improvement; but, the economic situation has been so volatile that it is very difficult to have an accurate read on the actual health of the country. Furthermore, both the fact that there is sometimes conflicting data, depending on the source (even among the more credible ones), and the total lack of statistics render the analysis all the more challenging. It is not surprising, then, that credit-rating agencies have stopped grading the country after the outburst of violence in 2011 that led to the fall of long-term dictator Muammar Gaddafi. Interestingly, prior to the civil war in 2011, *Standard & Poor's* (S&P) rated the country 'BB', a very respectable achievement. The GDP figures over the past three years tell the story of the ups and downs of a country with lots of potential but which is very risky. According to the International Monetary Fund (IMF), the GDP is projected to contract by 5.1% in 2013; that follows a 104% increase in 2012, coming after an astounding 62%

decline in 2011. To give a more concrete picture, the expected GDP per capita in 2013 is still below the level it was in 2010; \$10,863 vs. \$11,728. The economic indicator that signals an improvement is the inflation rate, which has decreased from 14% in 2011 to 3.6% in 2013. In 2009, under Gaddafi, unemployment was at 21%, with youth unemployment at 27% (due to the high mismatch between the education system and the skills needed in the workplace).<sup>377</sup> Unfortunately, since 2010, most of the unemployment statistics are coming from local sources, whose credibility is dubious.

Libya's economic structure makes it a rentier economy, because the exports of its main natural resource, hydrocarbons, constitute 90% of the state revenue.<sup>378</sup> Despite the controversial effects of rentier economies – put forward by the 'resource curse' (less taxes, so less representation; over-reliance on the sector of the rent source; and, more importantly, the ossification of the state) – the large hydrocarbon sector helped to jump-start the economy after the conflict. However, in the long run, Libya will need a more sustainable economic structure, in which the economy is more diversified and the revenues more evenly distributed.<sup>379</sup> Furthermore, the size of the government will need to shrink, in order to boost the private sector.

The revenues of exports should be injected into the private non-hydrocarbon sector, in order to further decrease the high rate of unemployment in the country. During the Gaddafi era, the ensemble of the imposed sanctions hampered the economy from reaching its economic potential. The conflict, furthermore, damaged the economy. It is estimated that the economic cost of Libya's civil war has been around \$15 billion.<sup>380</sup>

However, disillusionment stemming from democratic ruling has sparked unintended consequences for the economy and the well-being of Libyans. As Alison Pargeter summarises, "Libyans were getting once again

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377 El-Katiri, M., 'State-Building Challenges in a Post-Revolution Libya', U.S. Army War College, Strategic Studies Institute (2012), pp.7-8, available at: <http://www.strategicstudiesinstitute.army.mil/pdffiles/PUB1127.pdf>.

378 'Libya beyond the Revolution: Challenges and Opportunities', International Monetary Fund (2012), p. 2, available at: <http://www.imf.org/external/pubs/ft/dp/2012/1201mcd.pdf>.

379 Roger, G., 'Libye : situation économique et financière', Trésor Direction Générale (2013), available at: <http://www.tresor.economie.gouv.fr/File/389684>.

380 'La Libye, 20 mois après Kadhafi', *Geopolis*, 4 June 2013, available at: <http://geopolis.francetvinfo.fr/la-libye-20-mois-apres-kadhafi-17045>.

agitated as the promised jobs, improved services, and raised living standards failed to materialize”.<sup>381</sup>

As we will see later on, the security situation (in this case, the heightened insecurity) is not conducive for Foreign Direct Investment (FDI). Interestingly, because of the rewards that the Libyan energy market can bring, some foreign oil companies have returned to Libya, including *Total* (France); *Repsol* (Spain); *Wintershall* (Germany); as well as *British Petroleum* (BP) (UK). However, the timing changed for some companies because of the security outlook (especially after the attack on the U.S. consulate in Benghazi on 11 September 2012, and the attack on the In Amenas gas facility in neighbouring Algeria in January 2013). Thus, for example, *Total* was due to return as early as September 2011, and gas explorations were scheduled for May 2013.<sup>382</sup> In the end, *Total* restarted exploration on 6 January 2014, after a three-year break.<sup>383</sup> *Repsol* representatives stated, in August 2011, that the company would return to Libya as soon as possible after the 2011 uprisings;<sup>384</sup> it did so in October 2011,<sup>385</sup> as did *Wintershall*.<sup>386</sup> In 2007, BP had signed an exploration and production agreement with Libya’s National Oil Corporation, but suspended this contract in February 2011. This suspension was lifted in May 2012;<sup>387</sup> however, in May 2013, BP withdrew non-essential foreign staff from operations in Libya, following “UK government advice about uncertainty in the country”.<sup>388</sup> In November 2013, BP stated that it was withdrawing investment in Libya, but not ceasing activity altogether.<sup>389</sup>

Oil has become a tool for political negotiations,<sup>390</sup> especially since summer 2013, and, to make matters worse, in April 2013, Libya announced that it was not going to allow foreign security forces to protect its oil fields. Why is that problematic? Because even though the Libyan security force around the oil facilities is 15,000-men strong, it is not up to the level it should be to instil any confidence in the minds of foreign oil executives. The infighting between the various militias, coupled with the lack of equipment and adequate training, makes this task almost insurmountable.

Sabotage is also playing a big role in the major disruption that the oil sector is regularly witnessing. For instance, the Italian oil company, *Eni*, was forced to suspend gas exports to Italy in March 2013, because of a dispute between terror groups near its Mellitah facility.<sup>391</sup> Militias are using their full power to show how they are in control, in effect, of most oil facilities. In other words, nothing can be done without them, and that is one of the major signs of the state’s total lack of control over its main resource.

There have been also some social grievances – demand for more jobs and increased salaries – which have resulted in strikes that paralysed oil production over the summer of 2013. As a result, the oil production fell to 250,000 barrels per day (bpd), from an average of 1.5 million: a drop of 80%.<sup>392</sup>

## Politics

On 27 February 2011, the National Transitional Council (NTC) was formed, to act as a transitional government after the collapse of the Gaddafi regime.<sup>393</sup> The NTC aimed to “provide political and military leadership, organise basic services and represent Libyans abroad”.<sup>394</sup> Mustafa Mohammed Abdul Jalil was appointed as Chairman of the NTC.<sup>395</sup> The executive board was formed in March 2011 and was

381 Pargeter, A., *The Rise and Fall of Qaddafi* (New Haven: Yale University Press, 2012), p.249.

382 ‘Total aims to start gas explorations in offshore Libya by May’, *The Daily Star*, 23 April 2013, available at: <http://www.dailystar.com.lb/Business/Middle-East/2013/Apr-23/214705-total-aims-to-start-gas-explorations-in-offshore-libya-by-may.ashx#axzz2scXGiRSL>.

383 ‘Total Restarts Offshore Production’, *Libya-Business News*, 6 January 2014, available at: <http://www.libya-businessnews.com/2014/01/06/total-restarts-offshore-production/>.

384 ‘Oil companies see quick return to Libya, once peace restored’, *McClatchy DC*, 22 August 2011, available at: <http://www.mcclatchydc.com/2011/08/22/121596/oil-companies-see-quick-return.html>.

385 ‘Spain’s oil giant Repsol resumes pumping oil in Libya; BP says it wants to do the same’, *Al Arabiya News*, 26 October 2011, available at: <http://www.alarabiya.net/articles/2011/10/26/173835.html>.

386 ‘WinterShall is coming’, *Arabian Oil and Gas*, 8 July 2013, available at: [http://www.arabianoilandgas.com/article-11273-wintershall-is-coming/#.UvUFd2J\\_tWU](http://www.arabianoilandgas.com/article-11273-wintershall-is-coming/#.UvUFd2J_tWU).

387 ‘BP to resume oil operations in Libya’, *BBC News*, 29 May 2012, available at: <http://www.bbc.co.uk/news/business-18256587>.

388 ‘BP withdraws some Libya staff over security concerns’, *BBC News*, 12 May 2013, available at: <http://www.bbc.co.uk/news/uk-22501901>.

389 ‘BP to slash Libyan plans – report’, *Libya Herald*, 6 November 2013, available at: <http://www.libyaherald.com/2013/11/06/breaking-news-bp-to-slash-libyan-plans-report/#axzz2sca2uNXM>.

390 ‘Libye: les conséquences de la crise pétrolière’, *RFI*, 4 October 2013, available at: <http://www.rfi.fr/emission/20131004-libye-petrole-crise-budget>.

391 ‘Libyan gas exports to Italy disrupted due to clashes’, *RT*, 3 March 2013, available at: <http://rt.com/news/libya-gas-export-italy-744/>.

392 ‘Crise pétrolière en Libye: La production en chute de plus de 80%’, *L’Expression*, 5 November 2013, available at: <http://www.lexpressiondz.com/internationale/183922-la-production-en-chute-de-plus-de-80.html>.

393 ‘Who’s who in Libya’s National Transitional Council’, *France 24*, 4 September 2011, available at: <http://www.france24.com/en/20110902-whos-who-libyas-national-transitional-council/>.

394 ‘Key figures in Libya’s rebel council’, *BBC News*, 25 August 2011, available at: <http://www.bbc.co.uk/news/world-africa-12698562>.

395 ‘Who’s who in Libya’s National Transitional Council’, op. cit. (footnote 393).



chaired by Mahmoud Jibril, who also served as Head of International Affairs. The NTC governed until August 2012, when it officially handed over power to the elected representatives in the GNC.<sup>396</sup> The interim constitution originally gave the GNC the power to appoint a 60-member body to draft a new constitution (in accordance with quotas, 20 members would come from each of Libya's three regions: Tripolitania, Cyrenaica, and Fazzan). However, under pressure from federalist forces in eastern Libya, the NTC – on its last day in power – was forced to amend the process to stipulate that all 60 members must be elected directly through public elections. This decision was then itself overturned by Libya's Constitutional Court, throwing the decision back into the hands of the GNC. This back and forth has exposed political divisions within the GNC (which is currently unable to reach a consensus about how the process of appointments ought to be executed).<sup>397</sup> The GNC was originally meant to expire a year after it had been handed over power; however, it declared, on 23 December 2013, that it would extend the country's transitional period by one year.<sup>398</sup>

The Gaddafi regime kept an artificial balance between the local and regional powers, as well as between the institutions. He imposed the authority of one militia over the whole territory therefore when the regime collapsed, there was a power vacuum. Numerous separate militias jumped in to fill that void and replace the weak and defective central authorities. Even though the government tried to integrate these militias in order to avoid a civil war, it is still lacking to control any of them.

The militias are used for securing and defending the country, most notably to control the borders. The problem is that the integration of armed groups (particularly those with a jihadist or regionalist logic) within the government is hostile to the establishment of a centralised authority.<sup>399</sup> Not all these militias

work against the government; most of them have been drafted by the authorities that require their services for policing, defence, and border-control purposes.<sup>400</sup> The process of slow integration has been preferred over forced disbandment of the militias, in order to avoid the throes of a civil war which the central power could not win. The downfall of this policy will be the rise of a bundle of armed groups with jihadist; regionalist; or mafia-like inclinations, and which are hostile to a strong state.

Gaddafi was using these conflicts, and had revived the social divisions, in order to establish his authority. Since his fall, no one controls the situation: the country's regions have never been so divided, and tribalism will continue to persist in the post-Gaddafi era,<sup>401</sup> presenting the risk of a fragile or failed state.<sup>402</sup>

The Libyan democratisation process that started well with regular elections and a 60% voter turnout,<sup>403</sup> backed by an apparent Rule of Law with the restructuring of the old political elite, is now irrelevant because the militias are de facto in charge, through their control of the courts.<sup>404</sup>

The lack of balance of powers is detrimental to the democratic angle, since the militias control some of the constitutional bodies and influence the decision-making process.<sup>405</sup>

The lack of a democratic culture the absence of civil society and political parties, coupled with the identity crisis linked to tribalism, are adding to that undermining of the hopes of a post-revolution regime.<sup>406</sup>

The lack of a definitive Constitution – due to the political infighting between secularists and Islamists,

<sup>396</sup> 'Libya council hands power to new assembly', *Al Jazeera*, 9 August 2012, available at: <http://www.aljazeera.com/news/africa/2012/08/201288211843580153.html>.

<sup>397</sup> 'GNC stalemate on process for selecting "Committee of 60"', *Libya Herald*, 4 April 2013, available at: <http://www.libyaherald.com/2013/04/04/gnc-stalemate-on-process-for-selecting-committee-of-60/#axzz2sea2uNXM>.

<sup>398</sup> 'GNC votes to extend its life another year', *Libya Herald*, 23 December 2013, available at: <http://www.libyaherald.com/2013/12/23/gnc-votes-to-extend-its-life-another-year/#axzz2sea2uNXM>.

<sup>399</sup> 'L'Europe face au désastre qui s'installe en Libye', *Le Monde*, 15 October 2013, available at: [http://www.lemonde.fr/idees/article/2013/10/15/l-europe-face-au-desastre-qui-s-installe-en-libye\\_3495807\\_3232.html](http://www.lemonde.fr/idees/article/2013/10/15/l-europe-face-au-desastre-qui-s-installe-en-libye_3495807_3232.html).

<sup>400</sup> 'Libye: le premier ministre brièvement enlevé par d'ex-rebelles', *Le Monde*, 10 October 2013, available at: [www.lemonde.fr/libye/article/2013/10/10/le-premier-ministre-libyen-ali-zeidan-a-ete-enleve\\_3492883\\_1496980.html](http://www.lemonde.fr/libye/article/2013/10/10/le-premier-ministre-libyen-ali-zeidan-a-ete-enleve_3492883_1496980.html).

<sup>401</sup> 'Scrutin libyen sur fond de chaos', *Le Monde Diplomatique*, July 2012, available at: <http://www.monde-diplomatique.fr/2012/07/HAIMZADEH/47931>.

<sup>402</sup> 'State-Building Challenges in a Post-Revolution Libya', op. cit. (footnote 377), p. 2.

<sup>403</sup> 'Elections en Libye malgré les tensions: 60% de taux de participation', *France Info*, 7 July 2012, available at: <http://www.franceinfo.fr/monde/elections-en-libye-malgre-les-tensions-60-de-taux-de-participation-668841-2012-07-07>.

<sup>404</sup> 'A la Une : l'instabilité en Libye', *RFI*, 24 January 2012, available at: <http://www.rfi.fr/emission/20120124-une-instabilite-libye>.

<sup>405</sup> 'Libye : des milices mafieuses occupent le vide laissé par l'État central', *Le Figaro*, 10 October 2013, available at: <http://www.lefigaro.fr/international/2013/10/10/01003-20131010ARTFIG00445-libye-des-milices-mafieuses-occupent-le-vide-laisse-par-l-etat-central.php>.

<sup>406</sup> 'State-Building Challenges in a Post-Revolution Libya', op. cit. (footnote 377), pp. 25-27.

over the structure and religion of the state – is adding to that instability.<sup>407</sup> However, to be fair, drawing up a new Constitution has been one of the thorniest issues for the Arab Spring countries.

The Libyan government is finding it hard to restore its authority over the multiple armed groups that are still active all over the country.<sup>408</sup> Despite the dismembering of some militias in Tripoli and Benghazi since September 2012, the security apparatus remains in the hands of some 300 brigades that have emerged from the ruins of the Gaddafi regime. These local brigades are attempting to establish their own authority, thereby replacing the redundant central authorities.<sup>409</sup> In fact, post-Gaddafi Libya suffers less of an institutional void than a cruel lack of centralisation. In Tripoli, two main militias – the *katiba* from Zintan (a city located in the north-west of the country), constituted of “mountain warriors”, and the *katiba* of Misrata (east of Tripoli), dominated by the Muslim Brotherhood – ensure the security of the capital, with the help of several ex-rebel groups.

The Muslim Brotherhood’s influence on the political scene, through the Justice and Construction Party (JCP),<sup>410</sup> is strong, since it has the second-highest number of seats in Libya’s legislature.<sup>411</sup> The Brotherhood’s influence can be seen through the political exclusion law from May 2013, which called for all former members of Gaddafi’s regime to be excluded from the administration – even those who allowed the revolution to go through.

### Social

The first year of the revolution in Libya resulted in a clear deterioration of the living conditions of the Libyan people, though worsening economic indicators have now improved to reach the pre-revolution levels. However, the human-rights landscape and the lack of regard towards women’s rights are providing a bleak outlook. When it comes to violations of human rights

in the country, the list is quite long, as reported by *Human Rights Watch*. It includes:

- Arbitrary detention, torture, and deaths in custody
- Forced displacements (for instance, the Tawerghans)
- Limited freedoms of speech and expression – criminalisation of political speech glorifying Gaddafi or insulting Libya’s institutions; human-rights activists have been threatened by armed groups
- Attacks against religious groups (i.e. Sufi groups), which have intensified since 2011<sup>412</sup>

The judicial system is also used as a tool for revenge, with a clear lack of presumption of innocence. Since August 2011, opponents to the revolution have been arrested without a fair trial or any trial at all; have disappeared; and/or have been tortured or subjected to forced labour.<sup>413</sup> Justice in Libya has now become the justice of the victorious. For instance, *Amnesty International* has denounced the death sentence of old-regime thinker Ahmed Ibrahim, and has made the case that justice is being used as an instrument of vengeance. Around 8,000 people are detained today in prison and have no access to a fair trial, because they are considered loyal to the Gaddafi regime. Judges, lawyers, and prosecutors have been subject to intimidation and threat, on a daily basis.

Libyan justice also refuses the handover of such cases as Seif al-Islam, Gaddafi’s son, to the International Criminal Court (ICC). *Amnesty International* claimed, in September 2013, that handing al-Islam to the ICC would “ensure accountability for crimes committed during the conflict”.<sup>414</sup> Amnesty had concerns about Libya’s ability to respect the fundamental rights of detainees. Seif al-Islam is charged with war crimes and crimes against humanity during the uprisings of 2011. He is being held by the militia in Zintan – which refuses to hand him over because he is facing a separate trial in Zintan, on charges on trading information threatening

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407 ‘State-Building Challenges in a Post-Revolution Libya’, op. cit. (footnote 377), p. viii.

408 ‘LIBYE. Le Premier ministre, brièvement enlevé par d’ex-rebelles, a été libéré’, op. cit. (footnote 400).

409 ‘Libye : des milices mafieuses occupent le vide laissé par l’État central’, op. cit. (footnote 405).

410 ‘Muslim Brotherhood formally launches party’, *Libya Herald*, 3 March 2012, available at: <http://www.libyaherald.com/2012/03/03/muslim-brotherhood-formally-launches-party/#axzz2sca2uNXM>.

411 ‘Libya’s Muslim Brotherhood offices attacked’, *Al Jazeera*, 27 July 2013, available at: <http://www.aljazeera.com/news/africa/2013/07/20137278441125749.html>.

412 ‘Libye’, *Human Rights Watch*, available at: <http://www.hrw.org/fr/world-report-2013/libye>.

413 ‘LIBYE. La Justice comme instrument de vengeance?’, *Le Nouvel Observateur*, 9 August 2013, available at: <http://tempsreel.nouvelobs.com/monde/20130808.OBS2679/libye-la-justice-comme-instrument-de-vengeance.html>.

414 ‘Libya must surrender Saif al-Islam al-Gaddafi to International Criminal Court’, *Amnesty International*, 18 September 2013, available at: <http://www.amnesty.org/en/news/libya-must-surrender-saif-al-islam-al-gaddafi-international-criminal-court-2013-09-18>.

Libya's national security.<sup>415</sup> The trial of Seif al-Islam has been adjourned by a Zintani court, and rescheduled to 27 February 2014,<sup>416</sup> but did not take place yet.

Regarding women's rights, even though there are some slight improvements on the surface – such as the government's bill to recognise the thousands of rapes that happened during the revolution (along with those from during Gaddafi's regime), and the measures taken to protect the children born from rape –<sup>417</sup> men and women are far from equal in the eyes of the law.

Sexual harassment of women is increasing in Libya, and women complain that, combined with the general lawlessness in the country, their daily lives are becoming more of an ordeal and perilous.<sup>418</sup> Without a functioning police force, there are no statistics available to know how widespread the problem is in Libya.

Libyan women took an active part in the Arab Spring protests of 2011, and used that as an opportunity to voice their concerns about their rights. However, women continue to face discrimination and obstacles to full political participation in the country's political restructuring. Also after the revolution, women's-rights NGOs were established and fought for an increase in female participation in politics. In the 2012 election, 600 women ran for election. However, in October of that same year, the new Prime Minister appointed only two women, out of the 33 who had been elected, as ministers (of Tourism and of Social Affairs).<sup>419</sup> In addition, women only received six seats in the 60-member committee drafting the new constitution.<sup>420</sup> Women in Libya have higher rates of illiteracy than men, face discrimination in employment, and are constantly subject to sexual harassment.<sup>421</sup>

Post-Arab Spring, Libya is in a unique position to draft a constitution that aims to protect human rights, especially those of women. As *Human Rights Watch* rightly pointed out, “concrete steps are urgently needed to ensure that women's rights are respected in the new Libya and that discrimination based on gender is firmly rejected by law”.<sup>422</sup> It also outlined, in a report entitled *A Revolution for All: Women's Rights in the New Libya* (published in May 2013), five key issues that Libya should address in order to protect women's rights:

- Women should be able to participate, on equal terms with men, in the Constituent Assembly and in the rest of the constitution-drafting process
- The future constitution should guarantee equality between men and women
- The new constitution should prohibit discrimination based on gender, sex, pregnancy, and marital status
- Future governments should abolish Gaddafi-era laws that subject women to discrimination
- Future governments should work to end discrimination against women, in all aspects of public life

In February 2013, Libya's Supreme Court lifted some Gaddafi-era restrictions on polygamy, abolishing the law which stipulated that a husband had to obtain the consent of his first wife before marrying a second wife.<sup>423</sup> In April 2013, the Ministry of Social Affairs suspended issuing marriage licences for Libyan women marrying foreigners, as a response to Libya's Grand Mufti calling on the government to ban women from marrying foreigners.<sup>424</sup>

*Amnesty International* claims that, while the National Transitional Council (NTC) promised to promote women's rights in the constitution, discrimination based on gender is still an issue in Libyan women's public life.<sup>425</sup>

One would have thought that the social landscape would have dramatically improved after Gaddafi's fall; but, as we have shown, it is at best a mixed bag, especially when it comes to minorities and women rights.

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<sup>415</sup> 'Gaddafi-era spy chief al-Senussi to be tried in Libya', *BBC News*, 11 October 2013, available at: <http://www.bbc.co.uk/news/world-africa-24493885>.

<sup>416</sup> 'Saif al-Islam's trial adjourned until Feb 2014 by Zintani court', *Libya For the Free*, 12 December 2013, available at: <http://libya.tv/en/saif-al-islams-trial-adjourned-feb-2014-zintani-court/>.

<sup>417</sup> 'Libye : viols de guerre', *Le Monde*, 14 November 2013, available at: [http://www.lemonde.fr/libye/article/2013/11/14/libye-viols-de-guerre\\_3514233\\_1496980.html](http://www.lemonde.fr/libye/article/2013/11/14/libye-viols-de-guerre_3514233_1496980.html).

<sup>418</sup> 'Libya Women Report Increased Harassment', *Voice Of America*, 1 November 2013, available at: <http://www.voanews.com/content/libya-women-report-increased-harassment/1781596.html>.

<sup>419</sup> Munawar, H., 'Women's rights still lacking in Libya', *Al-Monitor*, 25 November 2013, available at: <http://www.al-monitor.com/pulse/culture/2013/11/libya-revolution-women-rights.html>.

<sup>420</sup> Ibid. See also: Smith, R., 'Women left behind as Libya's constitution-drafting moves forwards', *Open Democracy*, 22 July 2013, available at: <http://www.opendemocracy.net/rhiannon-smith/women-left-behind-as-libyas-constitution-drafting-moves-forwards>.

<sup>421</sup> 'A Revolution for All: Women's Rights in the New Libya', *Human Rights Watch* (2013), p. 12, available at: [http://www.hrw.org/sites/default/files/reports/libya0513\\_brochure\\_LOWRES.pdf](http://www.hrw.org/sites/default/files/reports/libya0513_brochure_LOWRES.pdf).

<sup>422</sup> Ibid., p. 4.

<sup>423</sup> 'Women's rights still lacking in Libya', op. cit. (footnote 419).

<sup>424</sup> Ibid.

<sup>425</sup> 'Annual Report 2012: Libya – Women's Rights', *Amnesty International*, available at: <https://www.amnesty.org/en/region/libya/report-2012#section-21-10>.

The road to a final constitution is going through various steps – such as the vote on 4 December 2013, when the Libyan Parliament voted to apply sharia law.<sup>426</sup> Interestingly, the financial sector as well as the judicial system will be concerned by such reforms, as it will have to change according to the new laws. This move has been achieved through the pressure of jihadist groups such as Ansar al-Sharia (AAS).

## Security

Human security remains the biggest problem, and, until it is tackled properly, Libya has no shining prospects.

While Libya underwent a very violent civil war, compared to the other countries of the 'Arab Spring', the violence did not stop on the day of Gaddafi's death. In fact, with the numerous attacks; violence; and thefts, Libya may follow the same path as Iraq.<sup>427</sup> For instance, Benghazi suffers attacks and violence on a daily basis.

The popular uprisings in the neighbouring countries have presented a further threat to the security of Libya. The absence of a strong state and clear delineated border has allowed an increase in arms smuggling and proliferation. This is relevant because it threatens the security of Libya's neighbours and Europe. Libyan fighters have been shipping arms to Sinai; Gaza; and Syria, among many other places.

The revolutionary armed militias refuse to disarm, fearing a possible retaliation from an opposing tribe. In addition to the tension created by the tribal configuration of Libya, there is the contention between Benghazi (the focal point of the rebellion in the east) and Tripoli (the ex-Gaddafi stronghold in the west). This rivalry could result in a shift of power from Tripoli to Benghazi. Several regions in the country are pushing towards federalism, especially the regions that have oil fields (such as Ras Lanuf, Zueitina,<sup>428</sup> and the province of Cyrenaica).

Since the fall of Gaddafi, the victorious rebel groups have been taking revenge against the tribes that supported the dictator who ruled for 42 years. An example of this tribal violence is after the Misratans were allegedly tortured, massacred, and raped en masse by the pro-Gaddafi Tawerghans during the uprising;<sup>429</sup> the wind has turned and, now, the Misratans are violently attacking the Tawerghans.

When it comes to the largest concern regarding the country's stability, i.e. the militias, the situation is very difficult to assess and is really a moving target.<sup>430</sup> All the issues and identities are murky, at best, between the 'elected' militia groups; the revolutionary groups fighting against the political instability; the institutionalised armed groups who have integrated the official security forces; and the revolutionary and illegal ones.

The renewed fighting between militias, in January 2012, led the National Transitional Council (NTC) to warn of the risks of another civil war.<sup>431</sup> Dozens of separate armed groups took control of Tripoli's neighbourhoods and strategic infrastructures, including the airports. They used this as political leverage to make sure that they would not be excluded from power, as had happened in Egypt and Tunisia.<sup>432</sup>

The militias are estimated to be composed of around 140,000 to 150,000 men in Tripoli alone. Efforts were made to integrate militias into the Ministry of Interior's forces;<sup>433</sup> this act was an effort to curb violence in Libya. Militias would be removed from the capital, disarmed, and the men integrated into security forces.<sup>434</sup> The transitional government has integrated into the national security forces only 29% of the estimated 170,000 militiamen who fought Gaddafi.<sup>435</sup> This was one of the main tasks of Fawzi Abdelali, the Interior Minister since

<sup>426</sup> 'Libye : le Parlement se prononce en faveur de l'application de la charia', *Jeune Afrique*, 4 December 2013, available at: <http://www.jeuneafrique.com/Article/ARTJAWEB20131204190720/>.

<sup>427</sup> 'La Libye est-elle sur la voie de l'irakisation?', *Jeune Afrique*, 21 November 2013, available at: <http://www.jeuneafrique.com/Article/ARTJAWEB20131121091114/>.

<sup>428</sup> 'Libya's oil production at 233,000 b/d', *Libya Herald*, 23 December 2013, available at: <http://www.libyaherald.com/2013/12/23/libyas-oil-production-at-233000-bpd/#axzz2sea2uNXM>.

<sup>429</sup> Abrahams, F., 'Why have we forgotten about Libya?', *Human Rights Watch*, 25 March 2013, available at: <http://www.hrw.org/news/2013/03/25/why-have-we-forgotten-about-libya>.

<sup>430</sup> 'LIBYE. "Les milices se nourrissent de la faiblesse de l'Etat"', *Le Nouvel Observateur*, 10 October 2013, available at: <http://tempsreel.nouvelobs.com/monde/20131010.OBS0726/libye-les-milices-se-nourrissent-de-la-faiblesse-de-l-etat.html>.

<sup>431</sup> 'State-Building Challenges in a Post-Revolution Libya', op. cit. (footnote 377), p. 18.

<sup>432</sup> Ibid., p. 19.

<sup>433</sup> 'Armée libyenne : le casse-tête de l'intégration des milices', *Jeune Afrique*, 26 November 2013, available at: <http://www.jeuneafrique.com/Article/ARTJAWEB20131125163018/>.

<sup>434</sup> 'Libyan government reveals plan to integrate militias into armed forces', *Al-Akhbar English*, 20 November 2013, available at: <http://english.al-akhbar.com/node/17658>.

<sup>435</sup> 'Libya violence killed 643 over 2013: report', *Al-Akhbar English*, 23 January 2014, available at: <http://english.al-akhbar.com/node/18356>.



November 2011. Abdelali resigned in August 2012, as a reaction to criticisms against him:<sup>436</sup> the GNC accused his High Security Committee – formed by former rebels who had fought against Gaddafi's forces in the 'Arab Spring' – of failing to prevent violence.<sup>437</sup> Interestingly, he withdrew his resignation because it was going to ultimately complicate security matters further.<sup>438</sup> Because of the lack of a police or military force able to maintain order and security, the Islamist militias are ruling and filling the security void. An estimated 200,000 armed men involved in militias rule over the territory and bring insecurity to the region.<sup>439</sup> they exert control over the administrations and ministries, organise drug and arm traffics, hold to ransom the population, and attack the various diplomatic representations.

The militias' success is made all the more possible because of the lack of unity within Libya,<sup>440</sup> the fragmentation of the political landscape, and the regional divisions between the federalists in the east; the Amazigh in the west; and the border minorities of the west and south (the Berbers of the Nafusa Mountains) who demand the recognition of their culture and language in the future Libyan Constitution.

One of the largest and most powerful militias in the country is the Misratan Union of Revolutionaries, comprised of 40,000 members: a real state within a state. These brigades are said to control significant military equipment (heavy artillery, tanks, and vehicles mounted with machine guns).<sup>441</sup>

Although the group is based in the city of Misrata, it is also involved in central and western Libya.<sup>442</sup> Around 50 people were killed in Tripoli, on 18 November 2013, when Misrata militia opened fire on demonstrators protesting against their presence in

Tripoli.<sup>443</sup> As a consequence, the Misrata militia was required to leave the city.

What one has to keep in mind, when looking at militias, is that they are not a new post-revolution phenomenon. The scale of their power is definitely new; but they were around in the 1990s, after the imposition of sanctions on the country.<sup>444</sup> In addition, the Muslim Brotherhood – as well as the jihadi Salafists – appeared as early as the Afghan war in the early 1980s.<sup>445</sup> Gaddafi was quite successful in clamping down on Islamist terrorists; he jailed most of them and dissolved the terror groups such as the Libyan Islamic Fighting Group (LIFG).

Yet, even before his fall, he released LIFG members and prominent Muslim Brotherhood leaders, for unclear reasons. Interestingly, many of these men – who were veterans of the Afghan war and/or al-Qaeda (AQ) members – joined the militias that overthrew Gaddafi.<sup>446</sup>

On a hopeful note, the Libyans are determined to get rid of the militias ruling the country.<sup>447</sup> So, for example, militias surrounded buildings of the Ministry of Justice and Foreign Affairs,<sup>448 449</sup> on 30 April 2013. On 10 May 2013, though, pro-democracy protesters supporting the government drove them out.<sup>450</sup> Local authorities also called for a three-day general strike and civil disobedience in Tripoli, to start on 17 November 2013.

The Libyan central power has been trying to confront the difficulty of establishing security forces for two

<sup>436</sup> 'Libya interior minister quits after Sufi shrine attacks', *BBC News*, 26 August 2012, available at: <http://www.bbc.co.uk/news/world-africa-19386322>.

<sup>437</sup> Ibid.

<sup>438</sup> 'Libyan interior minister withdraws resignation amid criticism over surge of violence', *Al Arabiya News*, 28 August 2012, available at: <http://english.alarabiya.net/articles/2012/08/28/234785.html>.

<sup>439</sup> 'L'Europe face au désastre qui s'installe en Libye', op. cit. (footnote 399).

<sup>440</sup> 'Libye: conflit autour de l'or noir', *L'Express*, 5 September 2013, available at: [http://www.lexpress.fr/actualite/monde/proche-moyen-orient/libye-conflit-autour-de-l-or-noir\\_1278661.html](http://www.lexpress.fr/actualite/monde/proche-moyen-orient/libye-conflit-autour-de-l-or-noir_1278661.html).

<sup>441</sup> 'Guide to key Libyan militias and other armed groups', *BBC News*, 28 November 2013, available at: <http://www.bbc.co.uk/news/world-middle-east-19744533>.

<sup>442</sup> Ibid.

<sup>443</sup> 'Libya clashes: Misrata militia ordered out of Tripoli', *BBC News*, 18 November 2013, available at: <http://www.bbc.co.uk/news/world-africa-24982399>.

<sup>444</sup> 'Un an après la mort de Kadhafi : la Libye n'a plus d'Etat', *La Voix De La Libye*, 28 January 2013, available at: <http://lavoixdelalibye.com/?p=7248>.

<sup>445</sup> Ibid.

<sup>446</sup> 'Extrémistes en Libye et Al-Qaïda: des affinités mais pas d'affiliation', *Le Parisien*, 8 October 2013, available at: <http://www.leparisien.fr/flash-actualite-monde/extremistes-en-libye-et-al-qaida-des-affinites-mais-pas-d-affiliation-08-10-2013-3206927.php>.

<sup>447</sup> 'Grève générale et appels à la désobéissance civile à Tripoli: Les Libyens déterminés à se débarrasser des milices', *Liberté Algérie*, 18 November 2013, available at: <http://www.liberte-algerie.com/international/les-libyens-determines-a-se-debarrasser-des-milices-greve-generale-et-appels-a-la-desobeissance-civile-a-tripoli-210572>.

<sup>448</sup> 'Libya gunmen surround justice ministry in Tripoli', *BBC News*, 30 April 2013, available at: <http://www.bbc.co.uk/news/world-africa-22352530>.

<sup>449</sup> 'Militias again surround ministry buildings in Libya', *DW*, 30 April 2013, available at: <http://www.dw.de/militias-again-surround-ministry-buildings-in-libya/a-16780981>.

<sup>450</sup> 'Protestors force out Ministry militiamen', *Libya Herald*, 10 May 2013, available at: <http://www.libyaherald.com/2013/05/10/protestors-force-out-ministry-militiamen/#axzz2sea2uNXM>.



years now. After the attack against the US embassy in Benghazi, which killed the US ambassador in September 2012, the government has been attempting to control the armed groups that were formed during the uprising against Gaddafi.<sup>451</sup> Interestingly, the government has legitimised some of those militias and has declared others illegal. Even though the militias have been denounced countless times (and for good reasons), they still keep a certain legitimacy because of their fighting during the revolution.

But the real problem lies more in the weakness of the state, rather than the power of the militias. Gaddafi really intended for himself and his cronies to be in charge of the country, and so neglected to build any institutions that could have been helpful in the post-revolution environment.

The militias know how to use their leverage in order to reach their goals; so, for instance, when they seized the oil fields over the summer of 2013, it was more a matter of pressuring the government than actually receiving some of the oil revenues.<sup>452</sup> The militias have also obtained the removal of several Defence and Interior ministers who were not particularly favourable to them.

Unfortunately, the violence is not limited to the militias and terror groups; tribal conflicts could be a ticking time bomb too. There are several of them in Libya, with the most potentially dangerous being between the tribes of Misrata and Warfallas (the latter being the largest tribe in Libya, located all over the country).<sup>453</sup> The Misratis accuse the Warfallas of assassinating Omar Mukhtar, the hero of Libyan resistance against Italian colonialism for 20 years,<sup>454</sup> but, it is widely believed that Italian forces captured and hanged him in 1931.<sup>455</sup> In addition, the Warfallas' stronghold in Beni Walid was the last

pro-Gaddafi bastion standing, thus further increasing the tension between the two tribes. The fighting between the two has resulted in the deaths of hundreds. For the moment, the conflict seems to be limited to Beni Walid; yet, it could possibly spread.

The tribal animosity is not just confined to large cities, or to one particular region, or to Arab groups alone: for example, ethnic Tebu militias largely oversee Tuareg districts, and have suffered from the ire of Arab militias that have long viewed them with suspicion.<sup>456</sup> In January 2014, 88 people were killed and 130 injured during fighting between the two tribes. Back in 2012, infighting killed 150 people.<sup>457</sup> This just adds to the already extremely volatile situation that pushed the government to declare a state of emergency on 19 January 2014.<sup>458</sup>

Hanan Salah, a researcher for *Human Rights Watch* in Tripoli, describes the untenable chaos that is reigning over the country: "In Libya it has become fully acceptable to use force as a means to achieve certain objectives [...] It has become an everyday thing. You don't like something? Kidnap the prime minister for a few hours. Kidnap the son of the defence minister. Whether willingly or unwillingly, the government has put itself in this position".<sup>459</sup>

The militias are not the only ones instilling terror; AQ is actually very active in the country. Some of the Libyan AQ operatives came back to Libya during the insurrection against Gaddafi in 2011.<sup>460</sup> Their involvement with the Libyan rebels allowed them to be recognised, to obtain military weapons, and to form militias that have had particular influence in the east of the country. They also established some training camps – especially in the south, where they recruit young men to send them to Syria.

AQ has progressively established itself in Libya, taking advantage of the chaos and the power vacuum after

451 'Libye: "Les enlèvements illustrent la faiblesse de l'Etat"', *L'Express*, 10 October 2013, available at: [http://www.lexpress.fr/actualite/monde/afrique/libye-l-enlevement-du-premier-ministre-illustre-la-faiblesse-de-l-etat\\_1289945.html](http://www.lexpress.fr/actualite/monde/afrique/libye-l-enlevement-du-premier-ministre-illustre-la-faiblesse-de-l-etat_1289945.html).

452 'Libye, un Etat en morceaux', *Le Monde*, 3 December 2013, available at: [http://www.lemonde.fr/libye/article/2013/12/03/libye-un-etat-en-morceaux\\_3524722\\_1496980.html](http://www.lemonde.fr/libye/article/2013/12/03/libye-un-etat-en-morceaux_3524722_1496980.html).

453 'Un an après la mort de Kadhafi : la Libye n'a plus d'Etat', op. cit. (footnote 444).

454 'The Italian occupation and the Libyan resistance', *The Milli Gazette*, available at: <http://www.milligazette.com/Archives/15122001/1512200105.htm>.

455 Ibid.  
See also: 'History of Omar Mokhtar and Libya', *Home of Islam – Muslim Unity*, available at: <http://www.freewebs.com/islamic-site/warrior/omar.html>.

456 'Libya: Rule of the gun', *The Financial Times*, 19 November 2013, available at: <http://www.ft.com/cms/s/0/a8f8a2e2-5107-11e3-9651-00144feabdc0.html#axzz2sTRIHNyf>.

457 'Heurts dans le sud libyen : au moins 88 morts en deux semaines', *Jeune Afrique*, 25 January 2014, available at: <http://www.jeuneafrique.com/Article/DEPAFP20140125162657/>.

458 'Tripoli declares state of emergency in Libya's south', *The Financial Times*, 19 January 2014, available at: <http://www.ft.com/cms/s/0/0c672536-8102-11e3-b3d5-00144feab7de.html#axzz2sTRIHNyf>.

459 'Libya: Rule of the gun', op. cit. (footnote 456).

460 'Un an après la mort de Kadhafi : la Libye n'a plus d'Etat', op. cit. (footnote 453).

Gaddafi's fall and the lack of a capable army. It has actually thrived after the French intervention in Mali that pushed a number of hard-core jihadists such as Mokhtar Belmokhtar to settle in southern Libya, where no one really controls the territory.

Former Prime Minister Ali Zeidan has conceded that government investigations have turned up Tunisians, Algerians, Sudanese, and Nigerians undergoing training in Benghazi. Yet, despite the regular arrival and departure of fighters undergoing training, Zeidan has said that "there are no permanent camps".<sup>461</sup> Instead, he thought that most fighters stayed only one or two days. This is highly unlikely, and it seems that this is purely a damage-control statement.

Indeed, large swaths of Libyan territory are under jihadist control, and the training camps are very much of a reality.<sup>462</sup>

Libya has porous borders, with al-Qaeda in the Islamic Maghreb (AQIM) cells established in Derna and Benghazi. The In Amenas attack in neighbouring Algeria also occurred close to the porous desert border with Libya.

The most active terror group within the country is the AQ-affiliated Ansar al-Sharia (AAS) – which attacked an army's patrol near Benghazi, on 25 November 2013.<sup>463</sup> This group was also responsible for the attack on the US consulate in Benghazi in September 2012,<sup>464</sup> although it denied its involvement.<sup>465</sup> AAS took advantage of the security void and now controls some territories in the east and in some districts of Benghazi, Sirte, and Derna.<sup>466</sup>

Since the fall of Gaddafi, major public and visible targets have been hit by terror groups: the US consulate in Benghazi, on 11 September 2012; the French embassy, in March 2013; the Ministry of Interior, in July 2013; and the kidnapping of former Prime Minister Zeidan, in October 2013. Abou Anas al-Libi, one of America's most wanted terrorists, was captured in October 2013, by US Special Forces, in a raid in Tripoli.

While Islamist groups such as the Muslim Brotherhood and other Salafi outfits refuse to be affiliated with AQ (and prefer acting under an independent leadership), some still share an ideological affinity with AQ that should not be underplayed. According to several experts on Libya, some of these Islamist groups have become so powerful that they have refused to become part of AQ's network, as they would rather act independently under their own emir.<sup>467</sup>

The West should very much try to solve the ever-thorny issue of the loose weapons. It is not just all about the light weaponry, but more seriously of the roughly 4,000 surface-to-air missiles and 6,400 barrels of 'yellowcake' (uranium ready to be enriched, which could come into the hands of AQ).<sup>468</sup> According to Bharuddin Midhoun Arifi, a military commander in the city of Sabha, AQ has offered one million dollars in exchange for the leftover weapons from the Gaddafi era, which includes uranium 'yellowcakes' and surface-to-air missiles. Also, as sheer numbers go, MI6 estimates that the amount of weapons in Libya is more than the entire British arsenal.<sup>469</sup>

One aspect of the lawlessness riddling Libya is the rapid expansion of the smuggling business. For instance, the trafficking of illegal immigrants is in full swing. Libya has become a passage point on the African continent for thousands of poor migrants dreaming of getting to Europe. Between January and

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<sup>461</sup> 'Benghazi, Libya, has become training hub for Islamist fighters', *Miami Herald*, 12 December 2013, available at: <http://www.miamiherald.com/2013/12/12/3814687/benghazi-libya-has-become-training.html>. See also: 'Mohamed Abdelaziz : "La Libye risque de devenir un État failli"', *Jeune Afrique*, 5 December 2013, available at: <http://www.jeuneafrique.com/Articles/Dossier/ARTJAWEB20131205174501/ONU-developpement-securite-aqmimohamed-abdelaziz-la-libye-risque-de-devenir-un-tat-failli.html>.

<sup>462</sup> 'Guerre contre Kadhafi, une victoire tactique mais un échec stratégique', *Le Figaro*, 10 October 2013, available at: <http://www.lefigaro.fr/international/2013/10/10/01003-20131010ARTFIG00568-guerre-contre-kadhafi-une-victoire-tactique-mais-un-echec-strategique.php>.

<sup>463</sup> 'Affrontements meurtriers entre les salafistes et l'armée à Benghazi: La menace djihadiste prend forme en Libye', *Liberté Algérie*, 12 November 2013, available at: <http://www.liberte-algerie.com/international/la-menace-djihadiste-prend-forme-en-libye-affrontements-meurtriers-entre-les-salafistes-et-l-armee-a-benghazi-211058>.

<sup>464</sup> 'En Libye, les Islamistes très présents mais en ordre dispersé', *Le Monde*, 3 December 2013, available at: [http://www.lemonde.fr/libye/article/2013/12/03/en-libye-les-islamistes-tres-presents-mais-en-ordre-disperse\\_3524724\\_1496980.html](http://www.lemonde.fr/libye/article/2013/12/03/en-libye-les-islamistes-tres-presents-mais-en-ordre-disperse_3524724_1496980.html).

<sup>465</sup> Ibid.

<sup>466</sup> Ibid.

<sup>467</sup> 'Extrémistes en Libye et Al-Qaïda: des affinités mais pas d'affiliation', op. cit. (footnote 446).

<sup>468</sup> 'Libye - La poudrière nucléaire du capitaine Arifi', *Le Point*, 27 October 2013, available at: [http://www.lepoint.fr/editos-du-point/michel-colomes/libye-la-poudriere-nucleaire-du-capitaine-arifi-27-10-2013-1748388\\_55.php](http://www.lepoint.fr/editos-du-point/michel-colomes/libye-la-poudriere-nucleaire-du-capitaine-arifi-27-10-2013-1748388_55.php).

<sup>469</sup> 'Don't turn Syria into a "Tesco for terrorists" like Libya, generals tell Cameron', *Daily Mail*, 17 June 2013, available at: <http://www.dailymail.co.uk/news/article-2342917/Dont-turn-Syria-Tesco-terrorists-like-Libya-generals-tell-Cameron.html>.

September 2013, Frontex registered more than 31,500 illegal immigrants at the Italian border.<sup>470</sup>

## **Conclusion**

The socio-economic and political issues that led people to revolt against the Gaddafi regime have mostly survived the transition and are potentially threatening the ‘democratic’ rule. The risks remaining are associated with a revival of civil unrest and the creation of a societal hierarchy, plus a territorial division that could lead to what Abdul Alhakim al-Feitouri calls the “Balkanisation of Libya”.<sup>471</sup>

The country has been hit with a perfect storm: first, militias controlling every aspect of the daily life of people; second, al-Qaeda (AQ) and its affiliates very present in the south, and potentially launching terror attacks; third, a very weak state. Libya has turned into a virtual failed state, where most of the socio-economic and political issues that contributed to Gaddafi’s ousting are still very much alive and threaten the ‘democratic’ rule.

In many aspects, ‘Libya 2014’ is much worse than ‘Libya 2011’. Of all the Arab Spring countries, Libya is actually the one that has fared the worst, while having the best potential. The problems facing the country are daunting, and it is very difficult to see a way out. Nonetheless, the resources and, hence, the financial interests at stake in Libya make it clear that the international community will one day, sooner rather than later, have to tackle these issues head-on.

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<sup>470</sup> ‘La Libye redevient la plaque tournante du trafic de migrants africains’, *Le Figaro*, 4 October 2013, available at: <http://www.lefigaro.fr/international/2013/10/04/01003-20131004ARTFIG00564-la-libye-redevient-la-plaque-tournante-du-traffic-de-migrants-africains.php>.

<sup>471</sup> ‘State-Building Challenges in a Post-Revolution Libya’, op. cit. (footnote 377), p. 29.



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# Conclusion

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Events in Tunisia inspired large sections of the Middle East and North Africa to call for the removal of the authoritarian regimes that governed them. This has enabled the citizens of the countries featured in this report an opportunity to enjoy previously denied political and civil rights. The pursuit of long-awaited freedoms, however, has come at a cost. In fact, the fundamental aims behind the various Arab Spring uprisings have not been exclusively met anywhere.

Tunisia is now a genuine electoral democracy, but it remains stagnant in terms of socio-economic progress. Its internal security situation is increasingly perilous and religious extremism and accompanying violence has risen. There were high hopes for Libya following Colonel Gaddafi's removal, yet it still suffers from a lack of progress on social, economic and political fronts, with militias controlling significant amounts of the country and security at an abysmal level. Yemen remains blighted with significant structural problems that cannot be fixed by the removal of President Saleh alone, with the events of 2011 arguably exacerbating some of these problems. In Egypt, not only have the aims of the 2011 revolution not been realised, the last three years have seen economic decline, further civil unrest and a degradation of women's and minority rights.

The Arab Spring has also impacted surrounding countries in the region. Violent spill-over from Syria,

for example, has undone much of the progress made in Lebanon following its 2005 revolution.

Furthermore, the Arab Spring has shown, in equal measure, the overwhelming strength and vulnerability of revolutionary change. Grassroots street protests and activism have successfully removed some of the most ruthless dictatorships. Yet subsequent power vacuums have repeatedly been filled with regimes which have often created only an illusion of democracy. As a result, popular discontent in all these countries – while perhaps not at the height of the protests that sparked the Arab Spring – is still very much in existence.

The revolutions of 2011 have also shown that while the overthrow of dictators can bring about a short-term fix in certain areas, the structural problems in countries affected cannot be fixed overnight. What is needed is a concerted, long-term commitment to developing civil society; genuine equality; robust counter-terrorism policies; popular participation in democratic politics; a consensus-building approach to political reform; the elimination of corruption; and economic reform.

The international community can certainly expedite this process, but ultimately it must be led from within. Only then can the promise of the Arab Spring begin to be fulfilled.







# THE ARAB SPRING

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