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“U.S. Policy on Tunisia”
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Chairman Murphy, Ranking Member Young, Members of the Subcommittee, thank you for the opportunity to speak with you today about the role of the U.S. Agency for International Development in supporting the Tunisian people.

Despite slow but laudable democratic progress over the past decade, today Tunisia’s future feels increasingly tenuous. Tunisians are finding their democracy increasingly endangered, while the economic situation continues to worsen. Inflation hovers at a four-decade high, including food prices, which have risen over 15 percent since last year, and more than a third of Tunisians under 35 are unemployed.

The increasing number of arrests and criminal investigations targeting journalists, politicians, and others have had a chilling effect on civil society and shows that democratic backsliding remains a serious concern. As the economy continues to contract, many Tunisians are looking to Europe to find economic opportunities despite mounting horrific stories of migrants perishing at sea.

While these statistics show a concerning trajectory for the country, we know that building a stable and prosperous democracy is a long-term proposition, and Tunisia is now only a little more than a decade into its democratic transition. Despite the deep disillusionment of many Tunisians with their political leaders since 2011, more than 70 percent of Tunisians surveyed still believe democracy remains the best system of governance and some windows of opportunity remain.

Addressing the country’s fragile economic state is critical to create space for democratic progress. This is especially true outside of Tunis where the economic plight is even worse and shortages in basic supplies from food to medicine are common. Our approach is to build Tunisian resilience to both economic and political shocks. In response to the democratic backsliding, we pivoted our assistance away from the government to work directly with the Tunisian people.

Economy

Addressing Tunisia’s economic crisis is essential in order to create an environment in which democratic progress can occur. The lingering economic and social impacts from the COVID-19 pandemic and price increases caused by Russia’s war on Ukraine have exacerbated the challenges of daily life for the Tunisian people. Already, Tunisians face major shortages in basic items ranging from food to medicine. Food prices have risen more than 15 percent since last

year, according to the National Institute of Statistics, and inflation and unemployment - already above 10 and 15 percent respectively - continue to rise.

As a prosperous future feels increasingly out of reach for Tunisians, more are attempting dangerous migrations to Europe. The number of Tunisians attempting to migrate to Europe has surged five-fold since 2019.

USAID's investments in the private sector directly support Tunisians who are working to rescue their economy. Small businesses are the primary source of income and opportunity for jobless Tunisians, and their best chance to find hope amid a failing economy and rising costs of living. Over the past four years, our economic growth portfolio has helped more than 44,500 Tunisian micro and small businesses increase sales by \$580 million, expand exports by \$430 million, secure \$217 million in new loans and create 48,000 new jobs, of which 67 percent are for women. The confidence USAID partnership inspires also helped these small businesses attract \$132 million in additional investments.

Over the past four years, we have also partnered with Tunisian universities, vocational schools, and career centers nationwide to help students build the skills for private sector employment to ensure jobs are not just paychecks, but true careers and opportunities. We helped universities upgrade the business administration and information and communication technology curricula for approximately 6,000 students a year. We paired this work with training, job fairs, internships, and career services to make sure more than 14,500 young Tunisians a year have the skills and opportunities to find meaningful private sector employment.

Amid these opportunities to help move Tunisians forward, we know that Tunisia's current economy places many at greater risk of being left behind. Last year we provided \$60 million to UNICEF to keep food on the table and kids in school in Tunisia's most vulnerable households, and just this past week, we partnered with the World Bank to help offset the food security impacts caused by Russia's invasion of Ukraine. We know that these activities alone will not turn the tide of the economic crisis, but they will lessen the suffering of the most vulnerable during a time of extraordinary economic turmoil.

Democracy

USAID is working in partnership with the Tunisian people to build an even more resilient civil society, to promote the integrity of elections and other democratic processes, and to combat mis and disinformation in all forms of media. Given Tunisians' long tradition of civil society activism, investments in these efforts will not only support Tunisians in the face of current challenges, but also help as they work to build the core pillars needed for a healthy, sustainable democracy in Tunisia's future.

Resilient Civil Society

Tunisians have seen the dissolution of municipal councils and parliament, a slew of decrees limiting freedoms, and politically motivated arrests. Despite increasing fears, Tunisian civil society is still bravely organizing in the face of growing threats.

For example, following the leaked amendments of Decree 88 that would outlaw foreign funding for civil society groups, Tunisian civil society organizations unified to reject these restrictions. And just this month, parliament's decision to restrict broadcasting of parliamentary sessions to only national television met such vocal opposition from the journalist syndicates that parliament reversed its decision and opened access to all accredited media outlets.

To continue building on more than a decade supporting Tunisian-led public engagement, we will launch a new effort to ensure the long-term viability and impact of civil society this year. Through this initiative, we will provide training to help CSOs build plans for long-term financial stability, improve their internal governance, and increase their public reach and impact.

Protect Election Integrity

Free and fair elections are a cornerstone of functioning democracies, and the Tunisian partners we support are acting to protect these processes. For the December 2022 legislative elections, USAID funded 90 percent of the domestic and international observers, who monitored and reported not only on electoral violations of international best practices, but also hate speech and misinformation.

In the July 2022 national referendum, USAID-supported partners caught erroneous voting data reporting from the Tunisian Independent High Authority for Elections (ISIE), publicly called for corrections, and persuaded the commission to publicize all of their counting reports, allowing both Tunisians and international observers to see corrected data for themselves. With presidential and local elections on the horizon for 2023-2024, a USAID-supported network of domestic elections observer groups is advocating for reforms of the electoral framework through outreach to other civil society organizations, the media, and Tunisian citizens.

Countering Mis- and Disinformation

In addition to these efforts, USAID integrates information integrity into our democracy work. We are investing broadly in countering the growing threat of mis- and disinformation. From rumors about COVID vaccines to disinformation about rapidly unfolding political events, misinformation is free flowing in Tunisia, especially on social media platforms.

Since 2020, USAID has trained more than 100 journalists and supported media fact checking efforts to dispel rumors and help provide Tunisians with reliable sources of information. We have seen strong returns from these investments, including Tunisian-led initiatives to confront false information, address hate speech, and stop rumors. This year, a local media partner launched "Tunisia Investigating," a new broadcast program to counter false claims and rumors, including during the recent wave of attacks against sub-Saharan migrants.

While training for media professionals is important, reaching the general public is equally vital. Last year, our online educational campaigns to counter disinformation reached more than 700,000 Tunisians. We will continue to support our partners as they combat mis- and disinformation and work to ensure Tunisians are getting the information they need.

Building Strong Social Ties

Finally, our democracy and governance efforts empower and include marginalized groups, youth, and women. Real disparities exist across Tunisia. The coastal regions account for 90 percent of employment and 80 percent of the country's urban areas. Young Tunisians between the ages of 15-29 make up nearly one-third of the country's population, but the unemployment rate for those under 35 is 37 percent. And young people in the interior account for a disproportionate amount of that number as their unemployment rates are more than three times higher than those in the coastal areas.

Supporting these young people to develop their skills, learn about public policy, and take action locally helps them tackle the issues that are front and center to Tunisian families. USAID has seen our young Tunisian partners drive COVID-19 vaccination efforts, run for local office, renovate community spaces, and advocate for improved local services. More than 80 percent of young Tunisians who participated in USAID youth programs now volunteer for community organizations or participate in advocacy campaigns on issues ranging from water scarcity and sanitation to political inclusion of marginalized groups.

USAID's support for training for young and historically underrepresented Tunisians activates them as engaged members of their communities and country and empowers them to raise their voices and vision long past when USAID's support for specific activities ends.

Sustaining commitment to Tunisians

I have been honored to visit Tunisia and meet with youth activists, entrepreneurs, and community organizers. Despite the real risks facing Tunisia's economy and democracy, many Tunisians are leading hard work to grow the economy and protect fundamental freedoms. However, the risk of disillusionment with the promises of democracy increases as Tunisians see growing distance between their desire for a brighter future and their economic plight today. Protecting Tunisia's democratic future requires investments in the Tunisian people who are working to build not only the pillars of democratic governance, but forging a pathway towards a viable economy.

Thank you for the opportunity to address the Subcommittee on this important issue. I look forward to your questions.