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Beyond the Panama Papers. The Performance of EU Good Governance Promotion

The Anticorruption Report 4

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7. Tunisia: Great Expectations

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This chapter looks the EU's strategy in supporting good governance in Tunisia, in particular, following the nationwide protests in 2010/11 leading to the ousting of President Ben Ali. It analyses the relationship between Tunisia and the EU and explain how and why the EU changed its strategy following the 2011 uprisings. The EU seems to have learned from past mistakes and began to accompany Tunisia's transition with financial and technical assistance. So far, we cannot observe a clear positive change in the country. However, the transition is young as of yet, and it will take the years to come to see whether the EU's strategy for supporting good governance and anticorruption will bear fruit.

Introduction

President Ben Ali's sudden departure from power in 2011 following nationwide protests for social justice and political freedom forced the EU to rethink and adapt its previous cooperation strategy with Tunisia, which was based on security and stability in the region. The EU has been an important international partner for the country both before and after the uprising. Both former presidents, Bourguiba and Ben Ali, maintained close political and economic relationships, and proximity to the EU has been an important political and cultural reference point for the legitimacy of both regimes. The EU is the country's most important trade partner, with up to 74% of Tunisia's exports and imports going to and from the EU (Powel 2009). Part of the Southern Mediterranean neighbourhood of the EU, Tunisia was one of five countries in the Middle East and North Africa (MENA) region to adopt a European Neighbourhood Policy (ENP) Action Plan in 2005 – as well as one of the first states to enter into a free trade area with the EU in 1998 (European Parliament 2010). However, the 2011 uprising not only disposed one of the region's longest standing dictators; it also brought some of the more problematic aspects of the close relationship between the EU and the Ben Ali regime into clear focus. This concerned especially the EU's seemingly uncritical support for the regime, as well as their lack of open criticism of the country's highly repressive political structures. Following the uprising, a chastised EU has tried to learn from past mistakes and accompany the country's, at times, rocky transition with financial and technical assistance. Nonetheless indicators on good governance and control of corruption (CoC) have stagnated. This chapter will argue that this stagnation is not an indication for absence of change, however, but for a profound transformation of the nature of corruption from the Ben Ali to the transitional period. By analysing EU good governance promotion in Tunisia throughout both the authoritarian period of Ben Ali as well as the transitional period that followed his ouster, it puts a spotlight on the EU's promotion of good governance.

Ben Ali's Tunisia and EU good governance promotion

Prior to the uprising, Tunisia, like most of its regional counterparts, was highly authoritarian with strong personalist and particularistic elements of rule. The Ben Ali regime was

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equipped with vast discretionary powers, with the president sitting atop a massive party-state apparatus supported by the regime party, the Rassemblement Constitutionnel Démocratique (RCD) and tied together by relationships of clientelism and patronage (Erdle 2010, 172). The RCD provided the organisational structure to rule, often duplicating administrative structures, and capturing administrative personnel to do so (Hibou 2011, 88). Public sector employment represented one of the most important avenues for white-collar work and social advancement, making it not only an efficient instrument for control and repression but also a considerable resource for corruption. The regime thus combined substantive resources for discretionary use of power and access, with few constraints on its exercise.

Unsurprisingly both petty and grand corruption were rampant, growing markedly during the last decade of Ben Ali's rule (Freedom House 2012). This was signified by increasingly visible predation on the part of the elites connected to the first family, which had acquired a substantial share of the country's wealth through the capture of the state's regulatory framework (Rijkers et al 2014, 24). Global Financial Integrity (2011) estimates that illicit financial activities and official government corruption caused losses of over USD 1 billion per year.

Constraints on corruption were scant in contrast. Even though Tunisia ratified the UN Convention against Corruption in 2008 (Freedom House 2012), prosecution was rare – and where it did occur, political reasons prevailed over legal ones. Within the politically controlled judiciary, most judges lacked independence, making politically motivated verdicts the norm (Paciello 2010, 2). And while anti-corruption law under Ben Ali was enforced by the National Audit Office (Cour des Comptes), which had broad powers to monitor public enterprises for financial irregularities, its independence was questionable (Freedom House 2011).

Even though societal norms against corruption and particularism did exist before the uprising, constraints to corruption could not arise out of civil society due to highly restrictive rules on freedom of association, media freedoms and participation. Most broadcasting corporations belonged to the Ben Ali-Trabelsi family and self-censorship was common (Paciello 2011, 2). Opposition parties were either loyal to the regime in exchange for a share in spoils or strongly restricted in topics and radius of operation. Within the tightly controlled parliament, a dual system guaranteed the majority party a fixed share of 88% of seats, with the remaining 12% divided among the smaller parties. This established a mechanism by which loyal opposition parties could be rewarded via their inclusion in parliament, setting up an incentive system that saw opposition parties competing for seats against each other, and not with the RCD (Fuentes 2010, 526). Nonetheless, as the uprising that started in 2010 showed, open corruption and increasingly conspicuous consumption, especially by the first family around President Ben Ali and his wife Leila Trabelsi, elicited more and more popular scorn within Tunisian society.²

EU–Tunisia relationship under Ben Ali

Repressive structures of rule did not deter the EU from preparing the EU–Tunisia Action Plan³ in 2004⁴. Despite the regime's refusal to discuss issues related to political reform, the EU negotiated an action plan heavy on economic and security cooperation but light on concrete measures of political reform demanded in return for aid. Nowhere in the vaguely worded objectives did the action plan allude to the authoritarian nature of the Tunisian political regime at the time, nor indeed include concrete measures to counter these tendencies (Del Sarto and

² 06TUNIS1673, 05.07.2005, <http://wikileaks.org/cable/2006/07/06TUNIS1673.html>

³ http://eeas.europa.eu/enp/pdf/pdf/action_plans/tunisia_enp_ap_final_en.pdf

⁴ It remained valid until 2014

Schumacher 2011, 941). Further measures intended to strengthen good governance were leaning heavily towards more technical aspects of good governance in the area of administrative reform and public financial management reform (PFM).⁵ Priorities were negotiated in tandem with the Tunisian government, aligning them with the country's objectives.

While the EU acknowledged that no discernible progress had been achieved in the promotion of good governance, subsequent allocations in the National Indicative Programme (NIP) (2007–2010) did not demonstrate a commitment towards increasing progress in this area. While good governance and anticorruption measures in the technical sense were part of budget support within the economic governance priority, no separate programme supporting good governance and anticorruption practices existed during that time period.⁶

Thus, despite the EU's commitment to good governance in the initial design of the ENP, this was not subsequently translated into its approach to aid in Tunisia. Initially, the ENP was to include conditionality in the form of "Copenhagen proximity criteria", but by the time the action plans were drafted this objective had been weakened to include only vague references to political reforms (Tocci 2007, 12). Benchmarks often lacked clear and precise definitions of core concepts, such as democracy, the rule of law and good governance, as well as enforceable timetables. This was compounded by the fact that the action plans were negotiated bilaterally, which automatically tempered any potential criticism of Tunisia's repressive climate, or the interpenetration of state and ruling party (Del Sarto and Schumacher 2011, 941). Where problematic issues were included, the vague formulation of conditions regarding democracy, the rule of law and human rights left ample room for interpretations that would allow the regime to ultimately undertake mere cosmetic reforms (ibid., 943). Negative conditionality was also not enforced when the EU found itself struggling to put forward reforms such as the EUR 2.15 million media support programme, which failed to be implemented, or the EUR 25 million justice reform programme. The former could only be implemented temporarily under the threat of payment suspension and was ultimately abandoned altogether after the Tunisian side did not fulfil an equal access condition. This played into the hands of a regime, which had been unwilling to engage in justice reform to begin with. In both cases the EU ultimately continued its economic and social programmes uninterrupted (Powel 2009, 65). Del Sarto and Schumacher describe this as a manifestation of the EU's general benign neglect towards potentially contentious political issues (2011, 947).

Three central issues can illuminate the reasons for this failure. They concern firstly the fundamental assumptions behind the ENP, secondly preferences of EU engagement and thirdly the trade-off between contradictory aid and foreign policy interests.

The ENP was an attempt to transport a logic of conditionality that had worked within enlargement of its cooperation with neighbouring countries. The ENP's principle of cooperation was based on the assumption that these partner countries shared a fundament of basic values with the EU. According to this logic, divergences in the practices of rule in recipient countries must therefore be traced back to a lack of capacity rather than to divergences in basic ruling principles (irrespective of whether this was in fact really believed to be true by the EU or not) (Tocci 2007, 5). Based on this misassumption, the EU instruments were ill equipped to deal with undemocratic partner countries, where governments lacked not only the capacity for reform but also, most importantly, the political will. The reforms favoured by the EU would often have fundamentally challenged the ability of authoritarian rulers to maintain power, a fact not reflected in

⁵ Defined by the EU as: 'The transparent and accountable management of human, natural, economic and financial resources for the purposes of equitable and sustainable development, in the context of a political and institutional environment that upholds human rights, democratic principles and the rule of law' (EC 2007a, 58).

⁶ Interview with a member of the temporary Anti-Corruption Commission (INLUCC) (held 21.12.2015).

the volume and nature of incentives. This was compounded by the fact that much of institutional and legal reform advocated by the EU was in service of approximating partner countries' rules to the *acquis communautaire*. However, these rules were technically complex, carrying heavy implementation costs for partner countries often lacking in adequate institutional and administrative capacity (Schimmelfennig 2012, 18). But it was also unable to offer alternative rewards, such as the free movement of goods and people that are at the heart of the accession incentives, due to the protectionist interests of individual member states.

Lack of positive incentives was complemented by an unwillingness of the EU to use the full spectrum of available punitive measures, preferring engagement – also with authoritarian rulers – over confrontation. In sync with the EU's increasing use of conditionalities to further reform in the mid-1990s, the Tunisian AA contained an essential elements clause relating to human rights and democracy that would allow for the application of punitive measures, up to and including the suspension of aid (Tocci 2007, 3). This *de facto* negative conditionality has never been applied in practice, however (Balfour 2012, 16). While cooperative in the economic realm, and highly dependent on trade with the EU, the Ben Ali regime had made clear that politically sensitive issues were not on the agenda: (Del Sarto and Schumacher 2011, 941). Faced with heavy resistance regarding political issues, the EU was hesitant to use either the negotiations for budget support conditionalities, or to call on the conditionalities embedded in the action plan as leverage for the disbursement of funds (Balfour 2012, 17). In the same vein, attempts at civil-society capacity building on part of the EU remained muted, with the regime putting a stop to projects directly dealing with democracy and human rights⁷ and keeping NGOs underfunded so as to render them unable to muster the necessary administrative capacity to be in compliance with EU project tenders (Voss 2010).

With a climate this hostile to political reform, the EU retreated to good governance conditionalities that remained technical and apolitical, supporting the regime's own desire to modernise certain aspects of its administration.⁸ This technicalisation of conditionalities is what enabled the overall positive evaluation of reform progress. International rankings such as the Davos Competitiveness Ranking, the Doing Business surveys as well as Transparency International's Corruption Perception Index (CPI) seemed to support the narrative of an "economic miracle", one characterised by strong economic growth, an expanding middle class and a modern, tech-savvy government (Hibou, Meddeb and Hamid 2011, 12). The data that these assessments relied upon was not generally questioned, despite being provided by the regime itself. The same applied to the issue of corruption, which while not unnoted, was not something seen as unusual for the region at large. And being concentrated in the domestic private sector, corruption was predominantly seen as negatively impacting the business climate – and not EU aid itself (Hibou, Meddeb, and Hamid 2011, 42). However, a certain amount of benign negligence – whereby if one got the results that were agreed upon, one assumed the money was used correctly – in combination with standard anticorruption clauses in the agreements and regular audits in the context of budget support seems to have been favoured over looking too closely.⁹ While in the aftermath of the US's democracy promotion agenda in the Middle East the Ben Ali regime did find itself under pressure to entertain more political openness and work on governance projects with donors, according to experts, this space all but closed after 2005. When the global financial crisis forced the country to seek out increased bilateral aid and closer

⁷ As was the case with the long suffering Ligue Tunisienne des Droits de l'Homme (Tunisian Human Rights League, LTDH).

⁸ Interview with EU expert (held 22.01.2016).

⁹ Interview with EU expert (held 03.12.2015).

cooperation with the EU, both sides decided to engage in less confrontational matters.¹⁰

But more than just the EU's preference for engagement, and the country's progress in administrative reform, it was the EU's own interests in the region and in Tunisia that further reduced its leverage and granted the regime leeway to evade political reform. The EU's interest in the realm of migration control and terrorism prevention thus resulted in a securitisation of the relationship, wherein the EU perceived a stable Tunisia as an important asset (Tocci 2007, 11). Cooperation thus turned towards jointly tackling problems of migration and border management, securing reliable energy supplies or the fight against organised crime and terrorism (ibid., 12). This was reflected in the EU's more forceful approach to conditionalities in the realm of security relations. The Tunisian regime thus cleverly leveraged their stability and reformist economic orientation, as well as their cooperation on migration and security issues against good governance, with the acquiescence of the EU (Hollis 2012, 93).

The EU and post-Arab spring Tunisia

Things were to change radically with the uprising that started in December 2010 and culminated in the ouster of President Ben Ali in January 2011. These events disturbed the equilibrium on the Tunisian as well as the EU side. In a climate of political instability and uncertainty, a succession of interim governments tried to reform existing structures of rule and establish democratic ones with the help of the donor community. The transitional period considerably reconfigured both resources as well as constraints for corruption within the Tunisian system on the one hand, and the opportunities for development assistance and good governance promotion on the other. Within the political system, Tunisia saw seven prime ministers within the six years after Ben Ali's toppling. Presidential elections that same year saw Beji Caid Essebsi, also of the Nidaa Tounes take office (IDEA 2014, 62–63). In addition to the turmoil on the political stage, a series of upheavals further threatened stability – including terrorist attacks, the assassination of two opposition politicians, a decline in tourism and persistent unemployment. Nonetheless Tunisia has been continually making progress towards democracy, as evidenced by improving indicators.¹¹ The January 2014 constitution guarantees fundamental rights and freedoms, and introduces new rights; the influence of the president has been reduced, and the roles of the prime minister and of the parliament have been strengthened (Pickard 2014, 136–138).

A transitional justice process was initiated in 2011, leading to the conviction of former President Ben Ali and his wife to 35 years imprisonment in absentia (Al Jazeera 2015a; *Guardian* 2011). In the same year, supported by EU sanctions, the assets of 110 family members of Ben Ali were confiscated and the pursuit of their remaining finances abroad was initiated (Palazzolo 2011). With these revamped rules, Tunisia thus saw a substantive decrease in discretionary power over access and resources at the top of the political system. The transitional justice process has not been without its problems and setbacks, however. Most recently, a controversial draft organic law on special procedures concerning reconciliation in the economic and financial fields (the “Reconciliation Bill”) has caused protests. It would grant a general amnesty to public officials under Ben Ali accused of corruption, in exchange for the return of stolen public money and fines (*The New York Times* 2015).

In addition, gaps in the anticorruption framework remain, and corruption persists. While Tunisia has conflict of interest rules, codes of conduct and transparent public procurement systems, there is still an implementation gap (Bertelsmann Foundation 2014, 34). Corruption

¹⁰ Interview with EU expert, (held 22.01.2016).

¹¹ Between 2012 and 2015, the Freedom House score (2015a) for the country improved from “partly free” to “free” (after being “not free” in the period 2007–2010)

remains problematic within the private sector, where over 50% of the economy is either closed or subject to continuing entry barriers (BTI 2016, 18) and there is currently no legislation criminalizing corruption (ibid., 34). Bribery is still a common feature of everyday life, and, according to the World Bank, 24% of firms report that it is necessary to speed things up with informal payments (ibid., 19). Petty corruption has been on the rise in recent years, and a study conducted by the Tunisian Association for Public Auditors estimates an amount of at least 450 million dinars (EUR 200 million) in bribes having been given to state employees in 2013 alone. Responsible parties are rarely punished (*Al-Araby* 2015b).

Thus while the destruction of the old regime meant the dismantlement of the previous centralised system of corruption and state capture, thereby substantively reducing the resources for corruption at the top of the system, the lack of institutionalisation of the transitional period also meant a diffusion of opportunities for corruption at the individual level.

At the same time, with the help of donors, institutional constraints on corruption multiplied. In 2011 the first temporary anticorruption commission, the Truth and Dignity Commission (IVD), was created and started investigating corruption based on the former regime's archives (*The Economist* 2013; *Al-Araby* 2015b). The IVD was to be replaced by a permanent Good Governance and Anti-Corruption Commission according to the 2014 constitution (International IDEA 2014: 100). In terms of constraints arising out of civil society, much headway has been made since 2011. Tunisia has witnessed a proliferation of NGOs, many of whom boast an anti-corruption agenda. The number of magazines, newspapers and television channels has multiplied (Schäfer 2015, 11).

EU intervention 2011–13

The 2011 uprising threw into disarray not only the domestic political scene but also the donor landscape forcing the EU to reverse its previous approach. These endeavours were further complicated by the fact that, in the wake of the Lisbon Treaty, the EU was in the process of redesigning its own external representation with the launch of the European External Action Service (EEAS) had only been launched in December 2010, a mere matter of weeks before the removal of President Ben Ali.

This resulted in what has been described as a “cacophonous start” (Balfour 2012, 11), with a wide variety of voices from different EU institutions and Member States adding their own proposals and opinions to the mix.¹² The EU responded by acknowledging past mistakes (ibid., 11) and by launching a number of immediate measures – as well as foreign policy instruments. It also doubled its aid budget to Tunisia for the period 2011–2013, reaching some EUR 445 million (Youngs 2015). Its new approach was to be based on more incentives, as well as more differentiation (“more for more”) whereby countries that engage in reform are rewarded with greater EU support (2011, 5). Mobility partnerships were launched as instruments for migration control, and negotiations started for a Deep and Comprehensive Free Trade Area (DCFTA) to facilitate economic exchange. Catharine Ashton, the High Representative of the Union for Foreign Affairs and Security Policy at the time, subsumed the underlying tenets of cooperation under the so-called three Ms – money, markets and mobility.¹³ The

¹² Interview with EU expert (held 03.12.2015).

¹³ “Money – resources that can go into the region to help support the transition to democracy, the support for civil society and of course the economic needs of countries. Market access – the importance of making sure that we give advantages in trade, and that the people can take advantage of that by being able to export and import properly. Mobility – the ability of people to move around, for business people to be able to conduct

SPRING programme was introduced as part of the positive incentives to countries willing to embark on reforms, and Tunisia was its main beneficiary, receiving a total of EUR 155 million in the period 2011–2013 (EC 2015).¹⁴ In addition to more incentives, conditionalities were to become more measurable and verifiable as well, relying on a proper benchmarking approach (EC 2011a). An important new departure was the push for increased transparency.¹⁵ Next to government publications and statistics, the EU sought greater verification through access to background reports and studies, by bringing in external experts and by quantitatively verifying reports on budget allocation.¹⁶ Cooperation now also saw an increase in good governance conditionality as well as programmes,¹⁷ including conditions such as implementing legislation in the media sector, greater budget transparency and improved access to information,¹⁸ and the creation of the temporary IVD.

The ENP was complemented with funding for capacity building measures from the regional South Programme by the Council of Europe (CoE) (CoE 2015, 28).

However, funds to Tunisia were put on hold by the EU and other international partners in 2013 amid political instability. After the political climate re-stabilised with a new technocratic government and the adoption of the new constitution in 2014, funding resumed (BTI 2016, 38).

In 2014, the Privileged Partnership, which represents the most recent action plan, 2013–2017, was adopted. After the increased focus on political reform following the Arab spring, it seems to confirm a shift of EU priorities back towards strengthening economic cooperation within the yet-to-be-signed DCFTAs, as well as a focus on security issues.

How did the changed approach to conditionality and good governance promotion of the EU fare during Tunisia's transition? Did it succeed in impacting incentives for reform? In general, it seems clear that conditionality did play an important role as a lever by which to get reforms going, key bodies institutionalised and core provisions included in the constitution. The EU successfully combined their use with legal expertise and capacity building, especially where the AC commission and the constitutional provisions were concerned, as well as the draft laws for constitutional courts.¹⁹ Positive conditionality within the SPRING programme was also essential in getting the justice sector support programme running once again. The SPRING programme also provided important support to civil society that contributed to capacity building and strengthened their incorporation into consultation processes. Civil society participated, for instance, in the EU's dialogue on the new Privileged Partnership together with the Tunisian government.²⁰ Hence, the EU is nowadays making certain that demands for further reform include political reforms (Balfour 2012, 25) and the demands that the transition has placed on the Tunisian government have made it both more eager to accept help, as well as more susceptible to caving to EU pressure.

However, despite the successes of EU policy after the Arab spring, three main problems remain. They concern persistent gaps in implementation, the question of incentives, as well as the adequateness of conditionalities for the Tunisian context.

The criticism raised frequently of the international anticorruption agenda is that institution

business more effectively." <http://www.enpi-info.eu/medportal/news/latest/24485/Money,-Market-access,-Mobility-%E2%80%93-three-Ms-to-underpin-EU-support-to-its-southern-neighbours>

¹⁴ It was replaced by new "umbrella funds" in 2014 under ENI 2014–2020.

¹⁵ Interview with EU expert (held 28.01.2016).

¹⁶ Interview with EU expert (held 11.12.2015).

¹⁷ Interview with EU expert (held 11.12.2015).

¹⁸ Interview with EU expert (held 11.12.2015).

¹⁹ Interview with EU expert (held 18.12.2015).

²⁰ Interview with EU expert (held 11.12.2015).

building does not always translate into successful implementation of these frameworks (Carothers and De Gramont 2013). Tunisia illustrates the problem of “institutional monocropping”, especially in a context where political will to fight corruption seems to be waning, and patrimonial practices are resurging (Youngs 2015). An example was the temporary anticorruption commission. While successfully created due to donor pressure, after its creation, the IVD continued to suffer from a lack in technical expertise, low funding and inadequate equipment. Its efforts were diluted by a duplication of structures and responsibilities, most recently by the ad hoc creation of a Ministry for Good Governance and Anti-Corruption (CoE 2015, 28). Indeed, the implementation gap in Tunisia is not only facilitated by the lack of follow up mechanisms but by a lack of clearly specified reform requirements on part of the EU. Tunisian officials thus complained that:

... there are only generalities and we do not know exactly what programmes should result in. This also causes problems with assessment. As we have no clear expectations, the evaluation cannot be done properly. EU programmes are approved in two meetings with the Ministry of International Cooperation. And it stops there. There is no follow up whatsoever, and that is one of the reasons objectives are not met.²¹

Secondly, while incentives have improved with the upgrading of assistance, they continue to be insufficient to motivate reform in those areas where the reform interests of the Tunisian government do not align with the EU's. An important departure is the general willingness of the Tunisian administration to entertain political reforms, and to seek donor support for carrying them out. However, the change in the principle features of the incentive structures are not due to a change in the shortcomings of the instruments themselves, which persist, but of the context in which they are employed. These problems with the instruments are compounded by the necessity of having individual EU member states comply with the actual delivering of incentives (Balfour 2012, 25).

The resultant potential lack of credibility is relevant with regard to all three forms of incentives embodied in Ashton's three Ms. With regard to money, experts suggested that, with EU assistance operating on fixed budgets, more money allocated to Tunisia, means less money for another partner country and vice versa. There is thus a built in limit to how much more assistance the EU is able to offer. The “market” part continues to run according to an out-dated quota system that protects defensive interests in the agricultural sector on the part of EU member countries,²² and similar problems apply to “mobility” too, where the EU's reluctance on offering freer movement has reduced the incentives to negotiate for their Tunisian counterparts (Youngs 2015). Thus positive conditionalities only work as long as there are actually incentives on offer that are relevant to the partner country.

Lastly, conditionalities were not always adequate for the level of administrative capacity in Tunisia due to political instability and shortcomings with regards to the staff and coordination structures necessary to deal with the complicated language, procedures and requirements entailed by EU assistance (Balfour 2012, 25). This strained the government's ability to steer development and formulate long-term strategies (BTI 2016, 37). Changes in the relationship between donors and the administration compounded these problems. Under Ben Ali, donor interaction with the administration was highly restrictive and centralised, with a few, well-regulated access points. Following the uprising, donors found open ears at different levels of the administration. While this makes some of the communication easier, these changes also resulted in a loss of coherence, and a multitude of not always well coordinated donor initia-

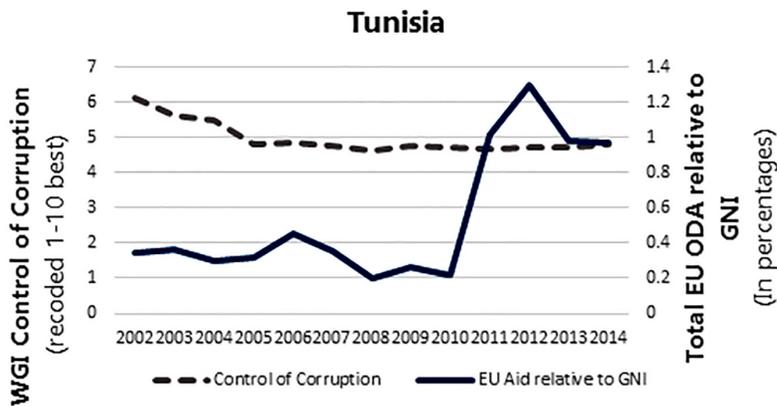
²¹ Interview with member of the Tunisian administration (held 21.12.2015)

²² Interview with EU expert (held 03.12.2015).

tives. This presents the danger of imposing unrealistic reforms.²³ Over the course of the last years, conditionalities had to be changed and adapted several times because they did not match existing administrative capacities. Performance criteria have often turned out to be too ambitious (OECD 2011, 21), and the EU saw itself forced to adapt them to a more reasonable pace that took better account of local capacities.²⁴

Hence, over the course of Tunisia's transition, the EU, together with other donors, has played an important role in aiding the peaceful establishment of a new political order. It has worked to increase constraints on corruption by institution and capacity building. At the same time, it has only had sparse effects on diminishing the resources for corruption in Tunisia. Corruption thus changed, adapting to the opening up of new avenues, while others closed. This explains the relatively stable trajectory of control of corruption, despite increased EU intervention in terms of aid and programmes:

Figure 1. Stagnant governance trend against EU aid for Tunisia



The doubled-edged sword of the aid effectiveness agenda for democracy promotion in Tunisia

Many challenges remain in Tunisia's path to democracy, and the EU will need to continue adapting and improving its approach. One of the lessons of the past two periods is that EU instruments prior to the Arab spring seemed only to have worked concerning issues in which the government had a genuine interest.²⁵ In more contentious cases, the fact that conditionalities are jointly negotiated reduced their effectiveness, leading to the watered down and vague language employed in the ENP Action Plan of 2004. Without being linked to specific benchmarks or allocation criteria, they failed to trigger any meaningful reform in Tunisia (Voss 2010, 145).

This problem is compounded by the fact that governance, as defined by the EU, has a multitude of dimensions to it. It is thus easy to focus on the less political and more easily negotiated technical dimensions and still be able to lay claim to the promotion of good governance despite widespread violations going unpunished at the political level. On the one hand, this is in compliance with the new aid effectiveness agenda and the greater emphasis it places on country ownership. On the other, it also diminishes the room available to positively affect governance outcomes beyond the technical level.

²³ Interview with EU expert (held 11.12.2015).

²⁴ Interview with EU expert (held 11.12.2015).

²⁵ Interview with EU expert (held 03.12.2015).

Ownership thus proved a double-edged sword in the case of Tunisia, whose two very different phases of EU engagement over the studied time period exemplify both its advantages and shortcomings. On the one hand, it places constraints on the effectiveness of good governance promotion in country contexts hostile to reform. This is true both with respect to the demand and the supply side of reform. The transitional period during which more open and participatory governments ruled Tunisia, however, also showed, on the other hand, that ownership is necessary to negotiate reforms and conditionality that are locally led and appropriate to country context and administrative capacities. It also points to the importance of more and better donor coordination to achieve these ends.

Tunisia also showed that conditionality needs to be backed up by proper incentives, and these incentives are not to be found in additional funds but in concessions granting access to more mobility and trade.²⁶ The interviews conducted for this study suggested that beyond access, EU leverage lies elsewhere: in their soft power exercised through political dialogue and expertise, not through increasingly harsher conditionalities.²⁷ This is fundamentally at odds with the tendency in Brussels, where the direction is towards tightening conditionality in aid relationships.

However, the transition is young as of yet, and it will take the years to come to see whether the EU's strategy for supporting good governance and anticorruption will bear fruit. For these efforts to succeed it will be crucial that the government of Tunisia continues to show the political will necessary to push forward the development of anticorruption and good governance, on the one hand. But on the other, the EU will need to demonstrate its commitment to these reforms in terms of its programming, but also its willingness to punish attempts at reversing the gains made so far.

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²⁶ Interview with EU expert (held 03.12.2015).

²⁷ Interviews with EU experts (held 11.12.2015, 18.12.2015, 03.12.2015).

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The fundamental purpose of ANTICORRP was to investigate and explain the factors that promote or hinder the development of effective anti-corruption policies and impartial government institutions. A central issue was how policy responses can be tailored to deal effectively with various forms of corruption. Through this approach ANTICORRP advanced the knowledge on how corruption can be curbed in Europe and elsewhere. Special emphasis was laid on the agency of different state and non-state actors to contribute to building good governance.

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