The complex political and economic transition following Tunisia's 2011 revolution and subsequent regime change has left Tunisia experiencing a protracted economic downturn over the past 10 years. The country has also been affected by instability and conflict in the region, in particular in neighbouring Libya. Economic growth has been subdued and unemployment persistently high (16.6 %), with much higher rates among women and young people. The dissolution of the government and the Assembly of People's Representatives by President Kaïs Saïed in July 2021 was supposedly designed to tackle corruption and general dissatisfaction with political elites. A constitutional referendum is due to take place in July 2022, a year to the day after Saïed seized broad powers in a move his opponents have called a coup. There is an expectation that this referendum, and the parliamentary elections to follow at the end of the year, will address the socio-economic and political concerns of a population deeply disenchanted with the political establishment.

Political context
Elected in 2019, the president of Tunisia, Kaïs Saïed, has been under domestic and international pressure since 25 July 2021, when he dismissed the country's prime minister, Hichem Mechichi, suspended the Assembly of People's Representatives, and assumed executive authority with the army's help. Saïed then suspended most of the Tunisian constitution, stating that he would rule by decree during an 'exceptional emergency period' with no set ending. He referred to Article 80 of the Tunisian Constitution, which allows sweeping powers when there is 'imminent danger threatening the nation'.

On 29 September 2021, Saïed appointed a new prime minister, Najla Bouden Romdhane, while placing constraints on her independence and authority. The new government is facing an economic slowdown, corruption and the need to respond to the demands of Tunisians in all areas, including health, transport and education. A major challenge is the growing regional gap between the country’s north and south. Najla Bouden is the first-ever female prime minister in Tunisia and, indeed, the Arab world.

On 18 November 2021, Saïed outlined a timetable for constitutional reforms, adoption of which should end the emergency period. On 13 December, he announced that Tunisia would hold a constitutional referendum in July 2022, prior to general elections in December 2022. On 13 February 2022, Saïed issued a decree to establish a new provisional Supreme Judiciary Council, granting himself additional powers to control the country's top judicial organisation. Despite the fact that Rached Ghannouchi, assembly speaker and co-founder of the biggest party – the Islamist Ennahda – had declared the assembly in session on 1 October 2021, the Assembly of People's Representatives will, according to the president's decree, remain suspended until Tunisians vote in general elections on 17 December 2022.

Socio-economic context of the political crisis
Tunisia is facing a looming crisis in public finances as the coronavirus pandemic has exacerbated years of economic stagnation and political infighting. The country's gross domestic product (GDP) contracted by 8.6 % in 2020, after growing 1 % the year before, with 2021 growth estimated at 3.3 %. The current account deficit remained high, at 6.8 % of GDP in 2020, and will remain at 6.7 % of GDP in 2022. The government's debt will rise to 82.6 % of GDP in 2022, up from 39.3 % in 2010. A poll conducted in August-September 2021 found that the majority of Tunisians backed Saïed, considering his actions necessary to remove a corrupt and unpopular political elite after years of economic stagnation. According to the poll, 71 % of Tunisians are deeply dissatisfied with their lives, and believe their situation was better before the 2010 revolution. Only 13 % are of the view that the previous government under prime minister Hichem Mechichi handled the economy well, with 22 % agreeing he managed the pandemic and the fight against corruption well. However, 81 % of Tunisians are afraid for the future of democracy in their country.
Positions of the EU institutions

European Commission
The European Commission has stressed the need to preserve democracy and stability in Tunisia. On 27 July 2021, the High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the European Commission (HR/VP), Josep Borrell, called for 'the restoration of institutional stability as soon as possible, and in particular for the resumption of parliamentary activity, respect for fundamental rights, and an abstention from all forms of violence'. On 10 September, Borrell met Saïed in Carthage. On 16 December, following the announcement of the referendum and new elections in 2022, the European External Action Service said in a statement that the EU was monitoring the situation in the country and 'took note' of the decisions made by its president. On 12 February 2022, the HR/VP outlined the possibility of suspending macro-financial assistance to Tunisia.

European Parliament
The President of the European Parliament, the late David Sassoli, met Tunisia's president, Kais Saïed, in Brussels on 4 June 2021. On 27 July, Parliament's Delegation for Relations with the Maghreb countries asked Tunisian authorities 'to allow the institutions to resume their normal functioning as soon as possible', calling on Sassoli to hold talks with Saïed and with assembly speaker Rached Ghannouchi. On 21 October, Parliament adopted a resolution on the situation in Tunisia, calling for restoration of its parliament's prerogatives and of political dialogue. Despite the work of the Assembly of People's Representatives being suspended, Tunisia remains an important partner in parliamentary diplomacy and the comprehensive democracy support approach, both promoted by the European Parliament.

Council of the EU
On 24 November 2021, the EU-Tunisia Association Council agreed to extend the validity of the EU-Tunisia strategic priorities. On 27 January 2022, the Council adopted a decision, in the field of common foreign and security policy (CFSP), on restrictive measures against certain people and entities in view of the situation in Tunisia. The decision renews the existing restrictive measures for a further 12 months, until 31 January 2023. No new sanctions were imposed on Tunisian individuals, entities or bodies following the president's 25 July 2021 decisions; the sanctions refer to acts committed before the 2011 revolution.

What is next?
Tunisia has often been described as a 'success story' of European support for democratic transition and promotion of human rights. Between 2011 and 2021, the EU, its Member States and financial institutions contributed a total of €10 billion in official development assistance to Tunisia, becoming the country's largest development aid donors. From this amount, EU assistance to Tunisia amounted to almost €3 billion (over €2 billion in grants and €800 million in macro-financial assistance); and the European Investment Bank has committed €2.3 billion since 2011. According to some academics, the EU has made Tunisia a privileged partner, giving the country one of 'the highest levels of EU support per capita in the world'. On 9 February 2021, the Commission adopted a joint communication on the renewed partnership with the southern neighbourhood, along with an economic and investment plan that suggested practical measures, such as a comprehensive aviation agreement to help re-start Tunisia's tourism industry.

While Tunisia and the EU appeared to be closely in step, the euphoria of 2011 gave way to stagnant cooperation, with trade exchange hardly improving, and the two partners unable to upgrade their relationship further. Negotiations on a deep and comprehensive free trade agreement (DCFTA), launched in 2015, have been deadlocked for years. None of the candidates in the 2019 presidential race supported the DCFTA; in this sense, they aligned themselves with the stance taken by the powerful Tunisian General Labour Union (UGTT), the largest trade union in the country and the Arab world. Finally, the dismissal of Tunisian elites linked to political Islam and the Muslim Brotherhood is also related to developments in the broader region. The most recent elections in Morocco, on 8 September 2021, allowed the Moroccan monarchy to separate itself from the Muslim Brotherhood members of the Justice and Development Party, and foster a 'new political architecture'. From a regional perspective, the Muslim Brotherhood's sidelining in the summer of 2021, first in Tunisia and then in Morocco, may have isolated Turkey and Qatar a little bit more in the Arab world.