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SIGHTLINES TUNISIA: JUDICIAL REPRESSION AND ECONOMIC DOLDRUMS

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As we move deeper into 2025, President Kais Saïed's war on political opponents nears its decisive (short-term) conclusion. Simultaneously, the economy remains adrift and tipping toward recession.

I. The Political Domain

The Courtroom Crucible

The factor most animating Tunisian politics in the first quarter of 2025 is the judicialization of repression.

As soon as he seized full power, Kaïs Saïed made no secret of his intention to bring the judiciary to heel. Initially, he pursued this objective under the guise of "fighting corruption". With that as pretext, he dissolved the Supreme Council of the Judiciary and assumed unilateral authority for dismissing judges. Those two maneuvers brought the independence of the judiciary to an end. The status of this branch of government was then degraded in the 2022 constitution, which describes the judiciary as a "function" of government.

More recently, Saïed set about weaponizing the judiciary. The pivot began in 2023 before accelerating in 2024. During these years, magistrates brought a wide range of cases against prominent figures from the realms of politics, media, and civil society. Dozens were arrested, with many prominent trials scheduled for 2025. Following the President's landslide election last year, there were some hints—including allusions made by Saïed's brother and campaign manager Naoufel Saïed—that repression via the courts would be eased. Alas, hopes for a grand change in the political climate were dashed by the head of state's virulent rhetoric and the continued arrests of dissidents.

On the positive side of things, early 2025 has seen a handful of persons released from prison. On February 25th, the Criminal Chamber of the Tunis Court of Appeals decided to release former Environment Minister Riadh Mouakhar, pending retrial. At the time he was freed, Mouakhar, a doctor and one-time member of parliament, had already spent twenty-five months in detention after being handed a three-year sentence on corruption-related charges by the Court of First Instance in November 2024. His lawyers have denounced the charges as totally frivolous.[1]

The same day as Mouakhar's release the courts also ordered that journalist Mohamed Boughalleb be freed. Boughalleb is a fierce public critic of the President. He was arrested in April 2024 after an official from the Ministry of Religious Affairs filed a number of complaints against him. Charged and convicted under the expansive terms of Decret-Loi 54, Boughalleb was initially sentenced to six months imprisonment. His sentence was (ludicrously) expanded to eight months, however, after he lodged an appeal. What is more, upon serving out the eight months, Boughalleb's detention was extended again after the authorities charged him with a second alleged press offense. Those charges remain on the books. It seems likely that Boughalleb was granted temporary freedom in order to spare the regime a potential scandal: In the lead-up to his release, the journalists' union and numerous human rights organizations had warned that Boughalleb's health was deteriorating to the point of putting his life in danger.[2] As he awaits his next trial, it is conceivable the authorities will rearrest Boughalleb once his health recovers.

[1] Staff Writer, "Le CRLDHT se réjouit de la libération de Riadh Mouakher", Kapitalis (February 21, 2025)
[2] Staff Writer, "Detention arbitraire de journaliste de renom Mohamed Boughalleb", Statement: Amnesty International (January 28, 2025).

Also provisionally released from prison in February was Sihem Ben Sedrine. Ben Sedrine chaired the Truth and Dignity Commission (IVD) and was responsible for leading the transitional justice process between 2013 and 2018. An enemy to many in the Ben Ali regime as well as to the luminaries of Béji Caïd Essebsi's government, Ben Sedrine referred 204 cases to the IVD during her tenure.[3] Her investigations brought attention to a number of sensitive cases, some of which touched on foundational national narratives. For instance, under Ben Sedrine's direction, the IVD commenced looking into the assassination of Salah Ben Youssef, one of President Bourguiba's rivals in the early days of his rise to power. At the outset, Ben Sedrine had been able to count on Ennahda as a sponsor and supporter. The party took a distance, however, after the IVD put the Siliana case on its agenda.[4] It was this case, in fact, that ultimately led to Ben Sedrine's arrest: An Ennahda-ally and former member of the IVD filed a complaint against Ben Sedrine claiming she "falsified" the final report for the Siliana investigation.[5] Come August 1, 2024, the 74 year-old lifelong activist would be arrested on the charge of having done so. While allowed to return to her home last month—grace, to no small degree, of domestic and international mobilizations—Ben Sedrine still awaits trial and is currently forbade from leaving Tunisian territory.

Having garnered the most attention abroad, Ben Sedrine's release prompted Carthage to try restoring political legitimacy through the evocation of sovereigntist tropes. One of the regime's primary targets in these regards is the United Nations Office of the High Commissioner for Human Rights (UNOHCR). Three special rapporteurs working for the UNOHCR—Bernhard Duhaime, Mary Lawlor, and Margaret Satterthwaite—called on February 18 for an end to all forms of persecution against opponents and activists in Tunisia. Responding to the UNOHCR, the Ministry of Foreign Affairs issued a press release recycling many of the falsehoods that the Saïed regime has propagated in prosecuting its political opponents. For instance, the statement alleged that a former Ennahda minister had "prepared 100,000 suicide attackers ready to carry out terrorist operations". The government newspaper La Presse also denounced the UN as an "empty shell".[6]

The timing of the UNOHCR's intervention was made to coincide with the commencement of trials related to the so-called "plot against state security". To recap, in February of 2023, the authorities brought charges against a wide range of dissidents accusing them of conspiring against the state. In the initial dragnet, six former elected officials, a lobbyist and citizen-national without immediate connection to politics were arrested. Over subsequent months, conspiracy charges were brought against another thirty-four persons—including businessmen and lawyers—though in the case of this second wave, the individuals in question were not subjected to pre-trial detention.

From the start, lawyers denounced the conspiracy case as spurious. Tellingly, judicial authorities refused to present the public with any evidence which might justify the charges being brought. They also banned media from reporting on the pre-trial phase of the case. Nor, alas, do the problems end there. The examining magistrate originally responsible for conducting the investigation ultimately fled the country to escape unrelated charges being brought against him. The security official responsible for initiating the original complaint against the defendants, meanwhile, has subsequently been convicted of corruption. At this stage, it appears that the case stands on the testimony of two anonymous witnesses, one of whom is also in prison for corruption.[7]

[3] Staff Writer, "Tunisia: The Truth and Dignity Commission Available in English", Statement: Avocats sans Frontières (July 24, 2020).
[4] As a reminder, in 2012, when Ennahda was leading the so-called troika coalition government, police fired buckshot at peaceful demonstrators in Siliana, some of whom lost their eyelids.
[5] Olfa Belhassine, "En Tunisie, le rapport 'falsifié' qui menace la justice transitionnelle", JusticeInfo.net (March 23, 2023).
[6] Said Benkraiem, "Commentaire : L'ONU, cette coquille vide!" La Presse.tn (February 26, 2025).
[7] The witnesses' anonymity is allowed in this instance because the charges are terrorism related.

Predictably, the scenes on the first day of hearings for the conspiracy case (March 4th) were chaotic. Taking advantage of emergency legislation introduced during the pandemic, the authorities opted to try the defendants in a court closed to the public.1 Requests for a public trial and the release of persons hitherto detained were summarily rejected. The whole thing left mired in confusion, proceedings have been adjourned until April 11th.

And the season of judicial repression extends beyond the grand conspiracy trial. In early February, the first verdicts were delivered in the Instalingo case. The case centered on a media company of the same name that was accused of money laundering and plotting against state security. It implicated several formerly high-ranking government officials as well as senior leaders of the Ennahda party and a host of journalists. On the first Wednesday of February, the trial was concluded. The Second Criminal Chamber of the Tunis Court of First Instance handed out prison sentences totaling seven hundred years. Prominently, Ennahda president Rached Ghannouchi was sentenced to twenty-two years imprisonment. His son and son-in-law each received sentences of thirty-five years, as did one-time Prime Minister Hichem Mechichi in absentia. Former intelligence chief Lazhar Loungo was handed a thirteen year sentence. Chahrazade Akacha, a journalist currently on the run, got twenty-seven years while her colleague Chadha Haj Mbarek, detained since 2023, received a five year sentence.

The Instalingo case speaks to the impossibility of justice in the era of a politicized magistracy. Even if there is legitimacy in some of the charges leveled, as lawyer and former minister Mohamed Abbou insists, the judicial process is so deeply compromised by Carthage's influence that there is no chance for a fair prosecution. Certainly, the (temporary) releases of Sihem Ben Sedrine et al give grounds for dreaming a better day may soon dawn. Unfortunately, inasmuch as the foundations of the current judicial apparatus remain unchanged, it is likely that waking hours will continue to be lived as a nightmare.

II. The Economic Domain

Risks Abound As Stagnation Persists

The Tunisian economy trudges on in the first quarter of 2025. Inflation has continued to ease, offering some relief to cash-strapped households. Contrarily, while showing a degree of improvement, the latest growth figures (for the final three months of 2024) reveal enduring stagnation. The economy's loitering just above levels qualifying as recession is conveying devastating effects onto the labor market. Net job creation continues to fail to keep pace with the arrival of new job seekers. Skyhigh youth unemployment and low labor force participation rates have thereby been rendered structural properties of the economy.

On the policy front, the outlook is distressing though not yet to the point of inviting crisis. Most relevant here are three developments. First, Saïed severed communication lines with the IMF in February. Treated in a vacuum, the decision is understandable—a review of the Fund's recent history in Tunisia should make plain that it is no agent of salvation. Alas, Tunisia does not exist in a vacuum. And the reality is that the country needs external financing for productive capacity to be enhanced and the energy transition to be advanced: Evidence of the investment drought, where fixed capital formation represented 21-25% GDP between 2000 and 2010, the past few years have seen it average ~15%.

[8] Staff writer, "Affaire de complot et procès a distance: La défense accuse et dénonce", Kapitalis (February 26, 2026).

Were alternative sources of foreign capital to become available, shunning the Fund would be a reasonable choice. In the absence of such alternatives, however, intransigence may devolve into an act of self-harm. The yield on Tunisia's outstanding Eurobonds today tops 18%, a figure attesting to the current impossibility of the country issuing debt internationally.[9] Resent the fact though one might, this reality will only change with the blessing of the IMF. Should that blessing not be forthcoming, a prolonged era of disinvestment culminating in a more devastating capitulation may be coming down the road. In this light, Saïed's play can be seen as the dangerous gambit that it is, especially with there still being no signs that Algeria, the Gulf, or China will inject capital at scale without Tunisia first coming to terms with the IMF.

The second development concerns the President's summoning of the Central Bank governor to Carthage at the end of February. Saïed used the occasion of Fathi Zouhair Nouri's presence to (again) call for reform of 2016's central bank law. The demand is an old song and dance of his, as Saïed has made a habit of demanding though never enacting formal change on this score. In many ways, doing so is a part of his sovereigntist performance: Appealing to those who would like to see neoliberal orthodoxies discarded, the President flirts with fully renanchoring the Central Bank within the state before stopping short of legislating so, lest he permanently close the door on Tunisia return to international capital markets.

Perhaps this time will be different. It seems more likely, though, that Saïed will stick to the status quo. Ambiguity, after all, has its (short-term) benefits. The Ministry of Finance can continue to borrow from the Central Bank to cover part of its deficits; the Central Bank, in notionally retaining its independence, can keep open the possibility of Eurobonds being issued down the road. Of course, here too Saïed plays with fire. Should the state's borrowing from the Central Bank—projected at $2.2 billion for the year—threaten the Bank's capacity to defend the Dinar, a currency crisis could quickly materialize, with drastic impacts for an import-dependent economy.

The third policy development deserving of mention is a new banking law which has restricted the use of payment by check. In its own language, the measure was introduced to control consumer debt. With credit cards not widely available and liquidity restraints high, Tunisians had long relied on post-dated checks to purchase items they did not currently have the cash to pay for.

Since the new banking regulations were instituted in February, this option has been taken off the table. Predictably, the most immediate consequence has been a decline in consumption. Many small retail firms are already coming under pressure as a result. For an economy already on the edge of a recession—and one where microenterprises in the retail trade are essential for propping up employment—this is an especially worrisome indicator.[10]

Lastly, there are a few happenings in the monetary and financial domain that need be flagged. Saliently, a ten-year bond came due in January. With no prospect of being rolled over, the Central Bank was required to transfer $1 billion to the bond holders. Doing so pushed the bank's reserves down to TD 23.3 billion, or roughly USD 7.3 billion.[11] In terms of days of import coverage, as of March 11, Central Bank holdings can only foot the bill for 101 days (down from 119 at the end of 2024). Mindful of the squeeze on hard currency, Central

[9] Hafed al Ghwell, "Tunisia's fiscal tightrope", Arab News (March 8, 2025).
[0] Staff Writer, "'Got Cash?' Tunisians grapple with new restrictions on cheques", Agence France-Presse
[11] Souhail Karam, "Eurobond payment shrinks Tunisia's Forex Reserves by $1 billion", Bloomberg (January 30, 2025).

Bank governor Fathi Zouhair Nouri has urged the country's commercial banks to reduce dividend payments: Typically, these transfer significant sums of dollars and Euros to the commercial banks' external parent companies.

Concerning finance, though inflation has tracked down, interest rates remain high—the key interest rate is 8%. This is reducing borrowing demand from local companies. More disadvantageous to the latter, certainly, is Tunisian commercial banks' lending to the Ministry of Finance. For 2025, Fitch estimates that the domestic financial sector will fund the state to the tune of TD 15 billion, a sum equivalent to 10.3% of 2024's GDP.[12] Claims on the state are now in excess of 21% the banking sectors' assets.

[12]Staff Writer, "Tunisian banks have sufficient liquidity to help meet sovereign financing", Fitch Wire (January 30, 2025).

Reference

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