Almost 4 years have passed since Tunisia, Egypt, and Libya overthrew their former dictatorial rulers. Despite achievements, these societies still face major governance, security, and economic challenges. The challenges of reconstruction vary in each country depending on their specific circumstances, including the intensity and duration of the uprising, and the prevailing economic and political situations before and after the upheaval. Libya’s security and political situation in particular remain chaotic. Very limited progress has been made on rebuilding basic state institutions or solving legal problems related to restoring justice for individuals and communities.

The inability of the new political elites to meet the political and economic expectations of their populations has undermined their political legitimacy. Political instability has had a significant impact on a variety of economic sectors in all three countries, and on their public finances. For instance, Tunisia’s and Egypt’s public finances have significantly worsened over the last 4 years, resulting in large fiscal deficits. Lack of financial resources has limited the ability of both countries to tackle the structural problems of their economies.

Failures to implement reforms and resolve socio-economic problems cannot be attributed solely to lack of financial resources. The capacity of post-revolution political elites and institutions was constrained by a skills deficit among bureaucratic cadres. Politicians and civil servants have had to learn from scratch the complexity of the challenges that face their societies in the post-conflict era, in economic recovery, justice, security and more. The new era requires innovative thinking to address economic difficulties, draft new legislation and establish new institutions.

This monograph assesses the post-revolution challenges faced by these three countries, and measures progress made in reaching them, before reviewing their implications for the broader region and for U.S. interests, and finally, making a number of policy recommendations for U.S. decisionmakers.