

ISSUE BRIEF

No. 4483 | NOVEMBER 13, 2015

Tunisia Deserves America's Concrete and Committed Support

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On November 13, Secretary of State John Kerry will travel to Tunisia to hold the second U.S.–Tunisia Strategic Dialogue. Following the inception of the critical dialogue between the two countries in April 2014, the second session of the dialogue is expected to focus on how to ensure Tunisia's ongoing transition to a stable, free-market democracy. Secretary Kerry's visit comes at an opportune moment for the United States to reassure Tunisia of its continued and even reinvigorated commitment, as well as to challenge Tunisia to take decisive action on implementing much-needed reforms.

Tunisia's Record of Ongoing Transition

At a time when countries in the Middle East and North Africa (MENA) region have descended into prolonged civil war, Tunisia is the only country in the region that has been making measurable progress toward a more open and democratic nation. In 2013, the birthplace of the Arab Spring promulgated one of the most progressive constitutions in the region after a process that was challenging but also characterized by compromise and inclusiveness. In 2014, it held successful parliamentary elections, followed a month later by the country's first free and fair presidential elections since it achieved

independence. In its latest report on political rights and civil liberties around the globe, Freedom House upgraded Tunisia to the rank of "free," making it the only country in the MENA region to receive such a distinction besides Israel.¹

The United States has recognized Tunisia's importance as a democratic toehold in a fragile but vital region, and as a steadfast ally in the fight against terrorism. Since 2011, the United States has pledged nearly \$700 million in aid to the country for initiatives designed to bolster its economy, civil society sector, and military.² Most notably, on the security front, the U.S. has designated Tunisia a Major Non-NATO ally, which not only highlights the shared value America places in its friendship with Tunisia, but also clears the way for the country to receive more military aid and other upgraded security arrangements.³

Challenges Confronting Tunisia

Tunisia's deepening relationship with the United States and the halting but determined steps it has taken to develop a democratic system have attracted the notice of the so-called Islamic State (ISIS). Democracy is inimical to ISIS's aspiration to create a state ruled by a narrowly defined version of Islamic law. On March 18, 2015, two ISIS terrorists attacked the Bardo Museum in Tunis, murdering 22 people, all but one of whom was a tourist. Three months later, another ISIS gunman attacked a hotel in the seaside resort town of Sousse, killing 39, most of whom were British tourists.

Nestled on the shore of the Mediterranean, Tunisia's attractive beaches and proximity to Europe have long made it a favored tourist destination. The ISIS attacks were designed to cripple the tourism

This paper, in its entirety, can be found at
<http://report.heritage.org/ib4483>

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industry that was a pillar of the economy, and they succeeded. The United States, the United Kingdom, and others have issued travel warnings and tourists have stayed away, shrinking tourism revenues and boosting unemployment.

There are other components of the ISIS-related challenge for Tunisia. Despite its small size, it is the world's largest exporter of fighters to ISIS. To its east, it is contending with one of the world's most failed countries, Libya, that has spiraled into violent disarray and is spewing instability throughout North and sub-Saharan Africa, the Middle East, and Europe. Both the Tunis and Sousse attackers were trained in a large ISIS camp in Libya less than 30 miles from the Tunisian border.⁴ The insecurity is beginning to wear on Tunisia. In July 2015, the parliament passed a counterterrorism law that rights groups have criticized as ineffective and an infringement on civil liberties.⁵ Particularly worrisome is a vague definition of terrorism of the sort that other countries have used in their counterterrorism laws as a pretext to crack down on domestic political opposition.

In addition to the ailing tourism sector, other difficulties are buffeting the Tunisian economy. The youth unemployment rate is nearly 40 percent, and even higher among young women, graduates, and those from the combustible interior of the country.⁶ Corruption has shackled the economy for decades and stirred anger among ordinary Tunisians cut out of the spoils system created by the elites. A recent World Bank report argues that previous estimates of corruption costing Tunisia about 2 percent of its gross domestic product per annum significantly understate

the problem.⁷ Cronyism is an especially damaging part of the problem, as it has produced an anti-competitive regulatory thicket that drives up consumer costs, discourages innovation, and spooks investors.

Time to Revitalize United States Engagement with Tunisia

The second U.S.–Tunisia Strategic Dialogue offers a critical opportunity for the United States to follow through on its rhetoric and demonstrate America's renewed willingness to invest in Tunisia's future, whose peace and prosperity dividends will also serve America's national interest. To that end, the U.S. Administration and Congress should:

- **Ensure and accelerate the planned establishment of a Joint Economic Council (JEC).** The Memorandum of Understanding, which was signed during the historic summit between President Obama and Tunisian President Beji Caid Essebsi in May 2015, stipulates the launch of a new JEC in concert with the Strategic Dialogue to support Tunisia's economic reform priorities and encourage private sector ties between the two countries. Without further delay, this initiative should be followed through effectively.
- **Incentivize greater trade and investment engagement with the U.S. while encouraging Tunisia to pursue greater economic freedom.** Notably, Tunisia is one of the three countries in the MENA region whose economic freedom has improved every year since 2013, according to The

1. Freedom House, *Freedom in the World 2015*, 2015, <https://freedomhouse.org/report/freedom-world/freedom-world-2015#Vj0GH7erRpg> (accessed November 10, 2015).

2. Office of the Press Secretary, "Fact Sheet: Enduring U.S.-Tunisian Relations," The White House, May 21, 2015, <https://www.whitehouse.gov/the-press-office/2015/05/21/fact-sheet-enduring-us-tunisian-relations> (accessed November 10, 2015).

3. Office of the Spokesperson, "Designation of Tunisia as a Major Non-NATO Ally," U.S. Department of State, July 10, 2015, <http://www.state.gov/r/pa/prs/ps/2015/07/244811.htm> (accessed November 10, 2015).

4. Safa Ben Said, "Libyan Army Spokesperson: Libya's Largest ISIS Camp just 45K from Tunisia," *tunisialive.net*, February 24, 2015, <http://www.tunisia-live.net/2015/02/24/libyan-army-spokesperson-libyas-largest-isis-camp-just-45km-from-tunisia/> (accessed November 10, 2015).

5. Sarah Mersch, "Tunisia's Ineffective Counterterrorism Law," *Carnegie Endowment for International Peace*, August 6, 2015, <http://carnegieendowment.org/sada/?fa=60958> (accessed November 10, 2015).

6. Organization for Economic Co-operation and Development, "Investing in Youth: Tunisia: Strengthening the Employability of Youth during the Transition to a Green Economy," 2015, http://www.keepeek.com/Digital-Asset-Management/oced/social-issues-migration-health/investing-in-youth-tunisia/youth-employment-in-tunisia_9789264226470-5-en#page5 (accessed November 10, 2015).

7. The World Bank, "Cronyism, Economic Performance, and Unequal Opportunity," September 2014, http://www.worldbank.org/content/dam/Worldbank/document/MNA/tunisia_report/the_unfinished_revolution_eng_chap3.pdf (accessed November 10, 2015).

Heritage Foundation/*Wall Street Journal Index of Economic Freedom*. A good launching pad to upgrade our current trade and investment relationship with Tunisia and forcefully encourage the country to embrace much needed structural reforms would be to initiate formal talks on a bilateral free trade agreement.

Tunisia's Success Matters to the United States

Against all the odds, Tunisia has made measurable progress largely on its own accord. The United States should engage with Tunisia with an effective commitment for a strategic partnership that is value-driven, program-based, and result-oriented.

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