

TESTIMONY
UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS WILLIAM J. BURNS
SENATE FOREIGN RELATIONS COMMITTEE
“DEVELOPMENTS IN THE MIDDLE EAST”
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Chairman Kerry, Senator Lugar, Members of the Committee: Thank you for the opportunity to appear before you again.

Less than three months ago, a desperate Tunisian street vendor, tired of too many indignities and too many lost hopes, set fire to himself and sparked a revolution still burning across an entire region. That single tragic act, has brought the Middle East to a moment of profound transformation, as consequential in its own way as 1989 was for Europe and Eurasia.

It is a moment of enormous promise for people and societies long denied full freedom and dignity and opportunity. It is a moment of great possibility for American policy, as well as a moment when the peaceful, homegrown, non-ideological movement surging out of Tahrir Square offers a powerful repudiation of al-Qaeda's false narrative that violence and extremism are the only ways to effect change. The result of all these reform movements could be greater peace, democracy, and prosperity in the region, which would advance all of our interests. But is also a moment of considerable risk, because there is nothing automatic or foreordained about the success of such transitions. Helping these countries' reformers to achieve their goals is as important a challenge for American foreign policy as any we have faced since the end of the Cold War.

While the spark that launched the Tunisian revolution was a spontaneous act born of one individual's feelings of frustration and disenfranchisement, the underlying regional demographic, economic, political, and environmental challenges he faced remain a longstanding concern of ours. The Middle East faces the profound problem of a massive youth bulge coming of age in an environment without broad economic or political opportunity. Youth unemployment in some cases is greater than 30%. Many college-educated urban youth are unable to find jobs. Widespread corruption and lack of free speech fuel a sense of individual disenfranchisement, a sense shared across the region. The revolutions that began in Tunis and Cairo are about the brave, proud, and determined people of Arab societies, intent upon better governance and more economic opportunities, intent upon erasing the disconnect between the rulers and the ruled that for so long has

been so stifling for so many. And they're about the universal values that the President spoke about two years ago in Cairo -- the right of peaceful assembly, freedom of speech, and the right to determine one's own destiny.

If the indigenous energy and drive of the new Arab awakening is its most potent ingredient, it is also a vivid reminder that stability is not a static phenomenon. Political systems and leaderships that fail to respond to the legitimate aspirations of their people become more brittle, not more stable. Popular pressures to realize universal values will take different shapes in different societies, but no society is immune from them. As Secretary Clinton said, "the challenge is to help our partners take systematic steps to usher in a better future where people's voices are heard, their rights respected, and their aspirations met. This is not simply a matter of idealism. It is a strategic necessity."

The long-held conceit of many Arab leaders was that there were really only two political choices – the autocrats you know or the Islamic extremists you fear. That provided a convenient rationale for blocking real political outlets or broadened participation, and it ultimately produced the spontaneous protests in Tahrir Square and elsewhere throughout the region. We have long recognized the tinder that was accumulating in the region, the combustible mix of closed systems and corruption and alienation and indignity documented so eloquently in the Arab Human Development Reports. We tried to drive home that concern to leaderships in the region, with President Obama underscoring in his June 2009 Cairo speech that nations that protect universal rights are ultimately more stable, successful and secure. Secretary Clinton left no room for ambiguity when she warned regional leaders in Doha earlier this year that they needed to embrace reform or see the sands shift underneath their feet. At the same time, successive administrations have sought cooperation on crucial shared priorities, such as combating terrorism, curbing Iran's nuclear ambitions, promoting Middle East peace, and securing stable energy supplies.

As much as it is in our long-term interest to support the emergence of more transparent and more responsive governments, who will ultimately make stronger and more stable partners, the short-term is likely to be complicated and maybe even unsettling. As in other democratic transitions in other parts of the world, there is a danger of authoritarian retrenchment, especially if economic destabilization occurs or if newly-elected leaders do not produce a clear indication that ordinary people will have economic opportunity. Successful transitions are about a lot more than just elections; institutions have to be built too, supportive policies, effective checks and balances, and an independent media to hold

governments accountable. There will be plenty of vulnerabilities, and no shortage of predatory extremists ready to exploit them. And there will be plenty of hard tradeoffs for American policymakers, with popularly-elected governments sometimes taking sharper issue with American policies than their autocratic predecessors did, and elections sometimes producing uncomfortable results.

Secretary Clinton just returned from Egypt and Tunisia; in both countries, she listened to the concerns and goals of civil society, political activists, and government officials, and emphasized the enormous importance we attach to their success in building new democratic and durable political structures. In responding to the changes in the region, we are guided by clear core principles. We support the universal right to freedom of expression, association and speech, as well as to be free from fear of harassment, reprisal, intimidation, and discrimination. We oppose violence as a tool for political coercion. We support the right of each country to determine its own path, recognizing the unique context of each situation. We believe political transitions should be deliberate, inclusive and transparent, with a broad and inclusive dialogue that engages women, minorities, and people from all religious, economic, and social backgrounds.

The key to a successful U.S. strategy is to make common cause with people and leaders in the region -- as well as our partners outside it -- in pursuit of a simple, positive agenda. U.S. assistance and leadership has a crucial part to play in meeting the crescendo of challenges in the Middle East and North Africa. Whether building international support for the swift and unanimous imposition of strong sanctions on Colonel Qadhafi and those who still stand by him -- imposing a travel ban, an assets freeze, and an arms embargo -- or securing the unprecedented recommendation of the Human Rights Council for suspending Libya's membership from the Council as well as a consensus decision of the UN General Assembly to suspend Libya, which is the first time any country has been suspended from the Council -- U.S. interests have been enhanced in multilateral channels.

The first element of our approach to the Middle East is support for peaceful democratic change, reflecting the very different situations that are unfolding. In countries that are taking decisive steps away from old systems and toward democracy, such as Egypt and Tunisia, we have a deep stake in stable transitions. As the traditional bellwether for the Middle East -- politically, economically, and culturally -- Egypt's success is vitally important to the region and to us. We will continue to support civil society voices urging the immediate lifting of the Emergency Law and encouraging real oversight of the new National Security agency, in the wake of Egypt's very positive decision to dissolve the discredited

State Security Investigations Agency. We support a thoughtful sequencing of a constitutional referendum and elections that will provide the time and space necessary to allow political parties to organize, build support, and campaign -- which we also see as critical steps in helping the Egyptian people truly have a choice when they turn out to vote. We acknowledge the Egyptian military's valuable role in overseeing the transition process and look forward to continuing three decades of cooperation with that institution. We will hold its leaders to their commitment to genuine reform in Egypt. The same holds true in Tunisia, a middle-income country with an educated population and tradition of tolerance, where we can provide important support in strengthening civil society, the media, and the understanding of a sound framework for elections. In both Egypt and Tunisia, we will continue to support the role of the private sector as a key component of stable economic growth.

In countries such as Bahrain and Yemen, where we are witnessing escalating protests but change is uncertain, we will continue to press vigorously for serious political reform as well as productive dialogue between governments and opposition leaders. This is particularly critical in Bahrain, where there can be no military solution to the lack of trust across Bahrain's sectarian divide. This is not just a simple matter of restoring law and order, but addressing real political grievances. Aggravating sectarian divides will only lead to decreased security over the long term. A focused dialogue that produces meaningful constitutional reforms addressing the legitimate grievances of the Shia population would be a defeat for those, including Iran and al-Qaida, seeking to co-opt regional sectarian strife for their own benefit. The stakes are high. In Yemen, terrorist violence from Al-Qaida in the Arabian Peninsula threatens the security and well-being of the Yemeni people, the broader Arabian Peninsula, the United States homeland, our friends, and allies. A deteriorating economy, declining water, decreased petroleum revenues and resources, a fractured polity that few have confidence in, an underdeveloped civil society, and institutions too weak to mediate competing tribal and regional demands make combating terrorism and promoting sustainable development that much more difficult. The international community must support the Yemeni people and promote dialogue and reforms that will set the stage for a presidential election in 2013, in which President Saleh has pledged not to participate.

In countries working to stay ahead of the wave of popular protests, such as Jordan and Morocco, we will emphasize the importance of taking reform seriously now as a way of creating positive avenues of citizen engagement and avoiding sharp conflicts later on. As always, timely reform is the best possible antidote to

subsequent upheaval. Both King Abdallah and King Mohammed have announced significant reform initiatives. In Morocco, these include a popularly elected prime minister with greatly enhanced powers; a fully independent judiciary; strengthened parliament and civil society; greater public accountability and other measures to combat corruption; more institutionalized protections for human rights and civil liberties; significant transfers of power from appointed administrators to elected municipal and regional officials; and institutionalized protections for Amazigh (Berber) rights. In Jordan, the King has called for new laws that will yield a more representative parliament and facilitate the formation of new political parties. Implementing these reforms in a credible and transparent manner will build confidence and credibility in both governments as agents of responsible change.

And in the sad and violent case of Libya, we are working hard to maximize international pressure for Qadhafi's departure, and to support the courageous Libyans who have risen up to regain their rights. We have and will continue to work with our international partners to implement and monitor a strong sanctions regime. The President signed a broad and flexible Executive Order that has frozen nearly \$32 billion in Government of Libya assets. We also worked tirelessly for the adoption of UN Security Council Resolution 1970, which imposed asset freezes and travel bans on Qadhafi and several family members, as well several other key Libyan leaders. We are now moving as rapidly as we can in New York to see if we can get additional authorization for the international community to look at a broad range of actions. As the President stated, all options remain on the table. At the same time, we are working with our partners to identify and disrupt the flow of mercenaries into Libya, in order to deny Qadhafi another weapon against his own population. We will continue to respond to the humanitarian crisis unleashed by Qadhafi, with our \$47 million in emergency relief providing food, water, shelter, medical supplies and evacuation assistance to those fleeing the violence.

A second element of a successful U.S. strategy, closely connected to the first, is strong support for economic stabilization and modernization. In the short run, that means helping Egypt and Tunisia, for example, to overcome the disruptions resulting from the recent unrest. In the longer term, it means helping the authorities sustain, and build popular support for, structural reforms that will more widely distribute wealth and opportunity. Not only in Egypt, but across the region, economic growth needs to be restored in a way that provides opportunity to the young, the unemployed and those who have not been part of the formal economy. In the longer run, that also means thinking boldly and ambitiously about how we can promote genuine modernization and integration.

We strongly support the Enterprise Funds for Egypt and Tunisia that you, Mr. Chairman, and Senators McCain and Lieberman have proposed. Secretary Clinton just announced that the Overseas Private Investment Corporation will provide up to \$2 billion to stimulate private sector investments in the Middle East and North Africa. In addition, the U.S. has established unique outreach efforts under the State Department's Global Entrepreneurship Program to catalyze private and public resources in building an effective ecosystem for innovation and business start-ups.

It is also crucially important to consider the expansion of trade opportunities for key Arab states in transition, including trade liberalization initiatives, ideally in cooperation with the EU, to help the Arab world compete globally, provide education relevant to market needs, create an environment conducive to private sector investment, and alleviate poverty among large segments of the population. In the process, we can help encourage intra-regional trade and integration in a region in which both are in short supply. The U.S. is actively engaging with Egypt, for example, to address outstanding issues in order to expand the Qualified Industrial Zone (QIZ) program, which allows duty-free entry to the U.S. for Egyptian products. Through initiatives like this, we are committed to promoting a vibrant private sector that can help produce jobs desperately needed to keep pace with demography and expectations. And we can help spread the benefits and opportunities of economic growth across Arab societies, rather than just to a narrow circle at the top.

The success of political transitions will require strong, practical economic results, and creating a sense of economic hope. Much of that obviously depends on Arab countries themselves, who need to put themselves in a better position to compete in a very unsentimental global marketplace. But it is deeply and urgently in our self-interest to do all that we can to help.

A third element of a positive American agenda for the Middle East is the pursuit of comprehensive Arab-Israeli peace. The status quo between Arabs and Israelis is no more sustainable than the sclerotic political systems that have crumbled in recent months. Neither Israel's future as a secure Jewish, democratic state nor the legitimate aspirations of Palestinians can be secured without a negotiated two-state solution. While the parties themselves must ultimately make the hard choices necessary for peace, there is also no substitute for continued active American leadership. We continue the persistent, day-in-and-day-out, high-level American

engagement, working privately with all parties to create an environment for resumed, meaningful and substantive negotiations on all core issues. We are committed to ensuring that political changes on Israel's borders do not create new dangers for Israel and the region, and we welcome the Egyptian leadership's rapid and repeated reaffirmation of its international treaty obligations.

A fourth element is our own huge and enduring stake in regional security -- in strengthening ties to the GCC states; in fighting terrorism; in preventing Iran from developing nuclear weapons and setting off a catastrophic regional arms race; in maintaining our partnership with Iraq as Iraq goes through its own crucial democratic transition and reintegration into the Arab world. We have to remain clear-eyed and resolute about the threat that Iran's leaders pose across a number of areas -- and equally straightforward in our support for the aspirations of Iranian citizens for freedom and dignity. The truth is that nowhere in the region is the disconnect between rulers and ruled any greater than it is in Iran. The hypocrisy for Iran's leaders to profess their enthusiasm for democratic changes in the Arab world while systematically denying them to their own people is clear to all, including Iranian citizens.

Working with Congress and our international partners, we will continue to intensify efforts to hold Iran accountable for its persistent failure to comply with its obligations under six UNSC resolutions and ten IAEA Board of Governors resolutions. Iran's refusal to enter into a constructive dialogue with the P5+1 helped forge a strong international consensus behind the toughest set of UN Security Council resolutions to date. Working with the EU, Australia, Norway, Japan, Canada, and South Korea, we have tightened those sanctions further. Even as we have left the door open to engagement, we have sharpened the choices confronting the Iranian leadership. Since July 2010, we have designated 90 entities and 25 individuals for their involvement in and support of Iran's nuclear program and terrorist activity. We have also designated 10 individuals for their involvement in human rights abuses in Iran, and along with a number of other member states, we strongly condemned Iran's record at the Human Rights Council. Finally, we have used the Comprehensive Iran Sanctions Accountability and Divestment Act to disrupt Iran's energy sector by sanctioning one of Iran's most important oil companies. Sanctioning this firm, which secures much of Iran's foreign investment and supplies of refined petroleum, has chilled its relationships with foreign traders and investors. We have also secured the withdrawal of five major international oil companies from Iran using CISADA's special rule provision. With the drying up in western energy investment in Iran, we have

denied the regime the profits, the technology, and the know-how that comes with it.

Mr. Chairman, this is one of those moments that come along only very rarely in the course of human events. It is full of historic opportunities, and some very large pitfalls, for people in the Middle East, and for the United States. It is a moment which demands our attention and our energy, and as much creativity and initiative as we and our partners around the world can generate. I look forward very much to working closely with you and Senator Lugar and the Members of this Committee in the weeks and months ahead. Thank you again for the opportunity to appear before you today.

