

**The Honorable Steve Chabot, Chairman  
Subcommittee on the Middle East and South Asia**

**“Assessing U.S. Foreign Policy Priorities and Needs Amidst Economic  
Challenges in the Middle East”**

**May 9, 2012**

The purpose of this hearing is to follow up on the recent Full Committee hearing with the Secretary of State and the USAID Administrator. Today we will focus on the Middle East component of the fiscal year 2013 budget and next week we will hear from Administration officials on the South Asia component.

Just over a year ago this Subcommittee heard testimony on the fiscal year 2012 budget. Although many of the themes that I am sure we will discuss are similar, the context could not be more different. A year ago, I was cautiously optimistic that the Arab Spring might usher democracy and human rights into a region where both have been exceptions rather than the rule. Now, a year later, the picture looks very different: The Muslim Brotherhood is on the verge of holding virtually complete control in the Egyptian civilian government; Syria is collapsing into a civil war in which nearly 12,000 people have already perished and there is no end in sight; The regime in Tehran has all-but quashed all popular opposition and continues to advance in its quest for a nuclear weapons capability; Israelis and Palestinians do not even appear to be close to resuming negotiations despite repeated Israeli overtures; and Iraq—which had looked surprisingly stable—is embroiled in a political crisis which, if not checked, has the potential to sink the entire country back into widespread sectarian conflict. And on top of that, international institutions like the United Nations have ground to a halt due to foot-dragging by countries like Russia and China who continue to shirk their own responsibilities as members of the international community. But while the region continues to change, U.S. core national security interests have not. Maintaining shipping lanes, securing energy for the world economy, ensuring regional stability, and combating terrorism still remain critical priorities.

Collectively, the current situation poses one of the most serious challenges in the Middle East that the U.S. has faced in decades. And while I am sure that the Administration understands the nature of the challenges, I am not so sure that its policies are the most effective in addressing them. The flagship program in the fiscal year 2013 budget is the proposed Middle East and North Africa Incentive Fund which, despite its \$770 million price tag and very broad authorities, appears to share the same core mechanism as many other assistance programs. Many assistance programs are intended to incentivize countries to reform; very few of them cost nearly a billion dollars and require “notwithstanding” authority. Furthermore, I fear this fund risks reinforcing a chronic bad behavior in the implementation of our foreign assistance: substituting money for thoughtful policy. Reflexively throwing tax payer dollars at problems is not effective policy and I fear the lack of details about how this fund will operate—as well as the very broad authorities

requested—make it more likely that the money will at best be wasted and will at worst enable hasty and reckless policy.

I have my doubts about our country-specific policies as well. The Administration's current policy in Syria relies on sanctions and diplomacy and while the sanctions that have been implemented by the U.S. and its allies around the world are certainly having an effect, I fear they will not achieve the stated goal: to actually bring about the removal of Assad from power. Similarly, some today are looking to Kofi Annan's Six-Point-Plan for Syria and the establishment of a UN observer mission with optimism. I am afraid that I do not share this optimism and I hope our witnesses here today will discuss what next steps the Administration is planning if—and likely when—the current diplomacy fails.

In Egypt, the Administration, Egyptians, or both do not seem to have grasped the seriousness of the situation. The December 29, 2011 raid on civil society NGOs calls into question the Government of Egypt's commitment to the principles of democratic governance. And although it may not have intended to do so, the Administration's decision on March 23 to waive a certification on Egyptian democratic progress prior to the obligation of military aid sent the message to parties throughout the region that when push comes to shove, our money will keep flowing despite whatever preexisting conditions we may have set. Furthermore, a near-obsessional fear of perceived foreign intervention among Egyptians limits what kinds of assistance may be possible going forward, even with the best bilateral relationship.

Decisions about U.S. foreign assistance must ultimately be shaped by the choices and policies made by regional governments. We have an interest in strongly supporting democratic governments that respect the rights of their citizens and rule of law, that foster greater economic opportunity, and that observe international obligations. I fear, however, that if the current trajectory of the region continues unchanged, our assistance programs to many of the countries in question will have to be reevaluated.