

**TESTIMONY OF LORNE W. CRANER
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“In the end, in Iran, all our investment in an individual, rather than in the country, came to naught. When the Shah fell, our Iran policy fell with him. All the billions we had spent there only exacerbated conditions and contributed to the rise of a fundamentalist regime implacably opposed to us to this day.” – Colin Powell, My American Journey (1995)

“The lesson from these events is that America should be anticipating democratic traditions long before a crisis makes them urgent - trying to encourage the leadership and institutions that will make eventual change less traumatic. These efforts in Egypt were halfhearted and inconsistent.... An active democracy promotion strategy - engaging authoritarian regimes while cultivating the leaders and parties that may replace them - is alternately criticized as paternalistic, unrealistic and hypocritical. Until a moment such as this, when it is revealed as the essential, practical work of American diplomacy.” – Michael Gerson, The Washington Post (February 1, 2011)

Chairman Ros-Lehtinen, Congressman Berman and Members of the Committee, thank you for the opportunity to testify today on the consequence of recent events in the Middle East. Chairman Ros-Lehtinen, the series of statements you have made on the Egyptian situation have been the least ambiguous and most supportive of democracy of any U.S. government official. I thank you for this.

As has occurred all too often in the past, the United States today stands surprised by a revolution in a foreign country. In Egypt, the United States is scrambling to learn what form of government will succeed Hosni Mubarak’s regime, and who will lead it. Our nation is in the same position in Tunisia, after a revolution that preceded and inspired events in Egypt. And events in Lebanon were equally surprising.

Why are events in Egypt taking the U.S. and more broadly the international community by surprise? Even before Tunisia, Egyptian activists had been protesting things like Egypt’s controversial Emergency Law both online and in front of parliament. However, the success of Tunisian democratic protestors in ending President Ben Ali’s 23-year rule spurred Egypt’s disgruntled population to action. As Ben Ali fled Tunisia, rumblings in Egypt turned into full fledged protests. Egyptian riot police and plainclothes security forces attempted to maintain control of the streets but the protestors’ chants nonetheless began to call for Egyptian President Hosni Mubarak to meet the same fate as Ben Ali, as thousands in cities across Egypt swarmed the streets; in Cairo, occupying the symbolic Liberation (Tahrir) Square.

Despite an Internet blackout, media curbs and mobile phone service suspension, the intensity of protests persisted and the upheaval escalated after pro-Mubarak supporters clashed violently with opposition protesters. Egyptian police forces were replaced by the Egyptian Army and a curfew was set in place. Although President Mubarak has announced he will not seek re-election, the

suggestion that he will serve out his current term in office is not accepted by many demonstrators who continue to insist that he must step down now.

As of today, several tracks for negotiation have been opened with many, including the United States, saying an orderly transition should begin now. Some of the opposition has indicated a willingness to speak to Egyptian Vice President Suleiman while others maintain Mubarak must step down before negotiations occur. An important question at this moment is whether those taking part in talks represent the protesters in Liberation Square who appear insistent Mubarak step down. With no agreed upon timetable for negotiations to be completed and a lack of clarity on who speaks for the opposition the situation is uncertain.

The seeming failure of Lebanon's Cedar Revolution, with the recent ascent of Hezbollah in ending the March 14-led unity government and replacing it with its preferred Prime Minister Najib Mikati only adds to the Middle East's uncertainty. Lebanon continues to struggle with serious issues related to the country's future direction, meddling by Syria and Iran and confessional alliances in a state of flux, even as U.S. interest in its fate changed with our "engagement" with Syria.

These events will have consequences for the region and, as I will argue later, further afield. Because of its historical and cultural prominence what happens in Egypt will have far greater meaning. With a civilization dating back 5,000 years, Egypt is considered a center of thought in the Arab world, and well into the 20th century led political currents in the region. Cairo's only traditional rival for such historical and cultural status has been Baghdad. As a democratic form of government slowly begins to take shape in Iraq, having similar political development in Cairo could have great consequences for the region. Conversely, given the violent birth of, and halting steps towards, democracy in Iraq, chaos or a more repressive government in Egypt will discourage and further delay much needed reform in the region.

IMPLICATIONS FOR COUNTRIES IN THE REGION

There will be fallout from these events across the region. When democracy emerges in nations experiencing it for the first time, the results are varied and unpredictable. Democratization comes in many forms – slow and fast, civic and political, evolutionary and revolutionary – and future trajectories are difficult to predict.

Although a single wave of reform is unlikely, the spread of information technology, social media use and satellite television during the past decade means citizens in Arab countries are no longer isolated from one another anymore, and the repercussion of events in Tunisia and Egypt are being felt by all. Most important, any popular belief that the region's regimes are too powerful to be overthrown should be ending.

In the Middle East subtle national differences in demographics, resources and systems of governance will mean events will take on uniquely local flavors in each country. The political dynamics of the Arab states are nuanced and varied and each will react to events in Egypt, Lebanon and Tunisia in different ways. That said, we can categorize the region's nations in a way that helps us determine which may be the most problematic.

Counter-intuitively with a small number of exceptions, problematic consequences are less likely in the region's monarchies than in the republics. This is true for a number of reasons. First, beginning about 15 years ago, the region's monarchies, mostly young kings who had been educated abroad, all to one degree or another embarked on efforts to begin to modernize their countries economically and politically.

In the Gulf, this effort began with political changes in Oman in the 1990s and spread to Bahrain and Qatar in the last decade. In Jordan, King Hussein began reforms which his son, King Abdullah II has furthered, such as higher quality legislative elections, albeit with occasional backtracking. A similar path has been followed in Morocco, where King Mohammed VI has promoted openings in a political system that had been closely regulated by his father and his father's court.

A second reason we are less likely to see consequences in monarchies is that they all to one degree or another project greater legitimacy by virtue of their hereditary (often tribal) lineage. In combination with the nascent liberalization, this enables them to deflect economic and political complaints to the new governing institutions they initiated. We are seeing this today in both Jordan and Kuwait, where the object of protesters' ire is the prime minister and the government.

In Jordan, on January 16, more than 3,000 gathered outside parliament in the capital city of Amman to protest the regime's economic policies. "Jordan is not only for the rich. Bread is a red line. Beware of our starvation and fury," read one of the protester's signs. At the time, then Prime Minister Samir Rifai's government, which the protesters were calling on to resign, had already announced a \$225 million package of additional subsidies to basic goods, such as sugar and rice. One difference between demonstrations in Jordan versus Tunisia and Egypt thus far is that Jordanian demands have largely focused on economic and quality of life issues and demands for change have been directed towards replacing the Rifai government, as opposed to calling into question King Abdullah II's legitimacy or that of the Hashemite Monarchy. Jordan's King Abdullah took swift action February 2 to ask Dr. Marouf Bakhit, to form a new government. Changing governments is a routine response to popular discontent in the Kingdom with the current government having lasted only a few months since Jordan's November 2010 parliamentary elections. A key question now is whether Jordanians who have taken to the streets before the announcement to protest food prices and other economic grievances will accept the 64-year-old Bakhit, who has already served as prime minister once, as representative of a change.

In Kuwait, calls for protests are growing to address issues of parliamentary inaction, corruption and the recent death of a man in police custody. As in other parts of the Middle East, a tech-savvy youth group is in the vanguard of those calling for government changes, but unlike Egypt and Tunisia, poverty is not an issue in Kuwait. The Kuwaiti government recently announced a \$3,500 payment to each of the country's citizens in an apparent attempt to settle the disgruntlement.

The obvious and perhaps most consequential exception to this general rule regarding the stability of the region's monarchies is Saudi Arabia, where reform has been glacial, and in most analyses is dependent on a monarch who is not young.

It will be important for the region's monarchies to be able to show continued if not rapid progress in opening up their political and economic systems. It is worrisome, for example, that some Gulf countries have slowed or rolled back reforms the last few years; in such cases, the royal families could put themselves out in front and become more directly the object of ire.

It is the region's republics that will be most affected by recent events in the region. The region's republics are run by men who, at best, have rigged elections and now have decreasingly credible claims to leadership. The fate of these leaders is more directly dependent on performance, which in most countries has been sorely lacking; leaders of the region's republics have for decades stalled economic and political reforms.

We have already seen demonstrations in Yemen, a country run not unlike Egypt, but with less stability and a serious Al Qaeda element. My colleagues at the National Democratic Institute (NDI) have, for example, worked valiantly to help open Yemen's political system; the difficulties they encountered were covered in a Pulitzer Prize winning *Washington Post* series in 2005. More recently, NDI has had some success in trying to improve relations between President Saleh and the country's political opposition, but general dissatisfaction with the government has nonetheless led to the region's third largest protests. President Saleh has offered reassurances that neither he nor his son would run for president in 2013.

Syria's leader, who inherited his presidency from his father made early promises of economic and political reform, but most Syrians see little difference. Syria's political situation resembles that of Tunisia, with a pervasive security apparatus, but Syria lacks the economic reforms that enabled Ben Ali to last for so long.

In the Maghreb, Algeria recently made a long overdue decision moved by protests elsewhere in the region to end its 19-year old state of emergency. It now faces a challenge in handling a planned opposition protest on February 12. Algeria faces many of the same economic issues as Egypt, though its political system is slightly more liberal. The U.S. opening to Libya based on that country's ending its weapons of mass destruction program has had no effect on the country's idiosyncratic political and economic system.

Other than Iraq, which was occupied by the United States, and the Palestinian Territories, the only Arab republic to implement modernizing reforms was, ironically, Tunisia. Under both Presidents Bouguiba and Ben Ali, Tunisia had the freest situation for women in the Arab world. The country had also undertaken impressive economic reforms, and visitors to Tunis remarked in the absence of poverty so evident in other Arab countries. Those reforms, however, generally benefitted large metropolitan areas along the coast, and were less evident in smaller towns and rural areas in the interior. Most important structurally, the country's social and economic reforms had not been followed up with political modernization; Tunisia was one of the most politically repressive countries in the Arab world with a pervasive security apparatus that rivaled some of the world's toughest dictatorships.

Lack of political accountability also helped enable what became wide scale corruption, including by the President's relatives, most notably his second wife (who bore his first male child) and in-laws. Tunisia's economy was not immune to the worldwide recession, with increasing unemployment and underemployment. In the end, the authoritarian political system was evidently incapable of responding to the increasing economic hardship of ordinary Tunisians. Some have characterized recent events as a "Facebook Revolution" by unemployed youth. Indeed Facebook has played an important information sharing role, but this is an appealing but superficial analysis. It was in fact dissident elements of the only parallel non-security organization in Tunisia, the official Labor Union, UGTT in French, that initially in rural areas and small towns began the revolution. As the rebellious demonstrations spread and eventually arrived to Tunis, protests were joined by young Tunisians who used modern technology to further the rebellion and tell the outside world what was happening.

Leaders who draw the wrong lesson from the Tunisian Republic's economic modernization – in pointing to the fact that it was the first to have a modern revolution – do so at their own peril.

I will defer to those better qualified than me to judge the consequences of recent events for Israel. At last weekend's Munich Security Conference, Uzi Arad, Israel's National Security Advisor stated that his country is "hoping for the best but preparing for the worst in Egypt," and Prime Minister Benjamin Netanyahu has said Egypt could experience a revolution with the same conclusion as Iran's with extremists representing a "tremendous threat." Clearly, Israel which had regarded its security threatened more by the likes of Iran than by countries with which it shares borders will have to recalculate as a result of Hezbollah's power play to control the Lebanese government, uncertainty about Egypt's future path, and the prospect of further regional instability. For example, such uncertainty makes it less likely, in my opinion, that Israel will make compromises to reach a peace settlement with the Palestinians. Our closest ally in the region will require much reassurance and support from Washington.

IMPLICATIONS FOR U.S. POLICY

I will leave it to others to comment on the strategic implications for the U.S. of events in the region. This includes such issues as basing forces in places like Bahrain and the United Arab Emirates, our allies to oil in the Persian Gulf and our system of alliances throughout the Middle East.

When I testified last June before the Committee, I noted that the Administration had not yet begun to implement a strategy to advance democracy abroad, because it had no strategy. Since that time, the beginnings of a strategy has been rolled out, by Secretary Clinton before the Community of Democracies' meeting in Krakow, Poland and by President Barack Obama at last fall's United Nations General Assembly (UNGA) meeting in New York. The Administration is focusing democracy work on support of indigenous civil society organizations working to achieve change from the bottom up. Closely tied to this policy focus is the Administration's emphasis on the use of technology to improve access to information. Secretary Clinton deserves great credit for conceiving and enunciating a policy that can help advance democracy abroad. I would commend to you her two most recent speeches on democracy in the Middle East. The

first was a prescient set of remarks in Doha in January, and the second speech, at last weekend's Munich security conference, in which Secretary Clinton talked about a "perfect storm" of diminishing resources, increasingly sophisticated technology, and the region's youth bulge.

Despite strong pronouncements by the President and Secretary, implementation of the policy lags. In Egypt, for example, the Administration had responded to the building pressure among average Egyptians not with increased support to civil society organizations now on the front lines of protest but instead agreed to the Mubarak government's demands for first sign-off on all U.S. funded democracy assistance delivered through the U.S. Agency for International Development (USAID). This obviously precludes programmatic support to the demonstrators you are seeing today in Cairo's Liberation Square, leaving Egyptian non-governmental organizations (NGOs), most of which represent moderate, secular interests committed to gradual reform, largely isolated and on their own. We have allowed the Egyptian government through its undermining of moderate and secular political opposition, NGOs and activists to actively promote a dynamic for decades that makes the U.S. "choose" between Mubarak's National Democratic Party (NDP) and the Muslim Brotherhood, with nothing in-between. This turns out to have been a false choice, as witnessed by the large number of young activists and average Egyptians presently in Liberation Square. In diplomatic terms, the United States has not worked consistently or vocally enough in our bilateral relationship with Egypt to create a political and civic culture where optimal choices are available in a time of crisis.

In the case of both Jordan and Lebanon, U.S. democracy assistance exhibits many of the same failings witnessed in Egypt, with a consistent and long-term approach sorely lacking. IRI and our sister organization the National Democratic Institute constantly struggle to convince USAID and U.S. Department of State officials of the value of maintaining program components to assist Jordan's fledgling political parties. IRI receives minimal financial support to assist these parties amid a huge bilateral assistance program extended to this strategic U.S. ally. In Lebanon, IRI's political parties program which targeted parties in the March 14 coalition was cut short by the Middle East Partnership Initiative, leaving no assistance since last summer to Lebanese parties that provide the country's only counterbalance to Hezbollah.

Failure to cultivate the "next generation" of democratic leaders in an authoritarian country is not an affliction solely of the Obama Administration. I was constantly frustrated while in the George W. Bush Administration at the active disinterest in working with and fostering the development of political parties in Pakistan after 9/11. It was not until the Musharraf government began to crumble six years later that U.S. policymakers scrambled to determine who might succeed him and establish relations with figures they thought would help advance American interests. But in an administration that actively promoted democracy assistance worldwide, this case was notable as an exception. In Ukraine, Georgia and Kyrgyzstan, for example, the Bush Administration assiduously cultivated and aided the next generation of leaders, resulting in democratic – and, because of our efforts, pro-American – figures replacing authoritarians.

The Obama Administration, just two years old, has faced this issue before. In Kyrgyzstan last April, as the increasingly authoritarian government crumbled, the U.S. had no relations with the opposition. Figures in the new government complained that the U.S. Embassy had refused to meet some of them for months or years. As a consequence, in the aftermath of the revolution,

Washington feared that the new government would oust the United States from Manas Air Base (crucial for our Afghanistan operations). Fortunately, the new government was persuaded to approach the issue in a constructive manner.

Realists are noted for valuing stability in our relations abroad, even if that means ignoring how a ruler governs his state. In the aftermath of Iraq, that approach gained greater appeal. Unfortunately, being so closely tied to authoritarians does not serve U.S. interests when the authoritarians fall from power and a political vacuum ensues. It is important, when we necessarily have relations with authoritarian governments, to plan for the day when they may no longer be in power, and to cultivate and assist those who may replace them. We must also supplement our focus on personalities by working to build institutions that will make future transitions less difficult. This is a realistic approach – a type of insurance – to safeguarding U.S. interests in the long term.

At this crucial time when the Middle East appears to be entering a period of transition, the United States must strongly and consistently support popular demands for transparency, accountability and freedom. We must have a presence in these countries to help build democratic institutions and provide an enabling environment for political parties and civil society to organize and prepare to take part in credible elections. We must make a long-term commitment to stay and help young democracies and their leaders develop the capacity to govern effectively. And we have to be willing to support fragile young democracies when they are threatened by powerful neighbors.

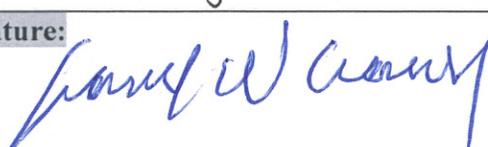
Much has been made of the consequences of recent events in the Middle East for the rest of the region. We would be remiss if we did not look further afield. What happened in Tunisia – where economic modernization that mainly benefitted metropolitan areas was accompanied by political repression and worsening corruption – may hold clues to the future of nations with similar situations in other regions, such as Kazakhstan or China, and less well run autocracies, such as Azerbaijan and Venezuela. It is worth remembering that events in Tunisia started with citizens protesting the lack of justice, dignity and respect by the regime and not as a revolution for democracy. It is this sense of injustice that drove protests into calls for wholesale change of the political system.

Though slow to start for reasons I outlined in my testimony last June, senior Obama Administration officials have given a series of increasingly positive, commendable speeches in support of helping those who wish to advance democracy abroad. Having served in two administrations, however, I am acutely aware that speeches by a President or Secretary of State are just the beginning of a policy. The words in a speech must be implemented at the working level through day-to-day diplomacy and assistance programs. To date, this remains a challenge for the Obama Administration. The words of the President and Secretary of State must be translated into action if we are to avoid future political vacuums as authoritarian regimes inevitably crumble in the Middle East and elsewhere.

United States House of Representatives
Committee on Foreign Affairs

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1. Name:	2. Organization or organizations you are representing:
Lorne W. Craner	International Republican Institute
3. Date of Committee hearing:	
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4. Have <u>you</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?	5. Have any of the <u>organizations you are representing</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. If you answered yes to either item 4 or 5, please list the source and amount of each <u>grant</u> or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.	
USAID - grant amount (\$3,550,912) grant period (08/01/2005)-(06/30/2009)	
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