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“The Federal Budget and Appropriations for FY2014: Democracy, Governance, and Human Rights in the Middle East”

**Thursday, September 26, 2013, 2:00-3:30PM
Rayburn House Office Building, Room 2212**

The Project on Middle East Democracy and the Heinrich Boll Stiftung hosted a panel discussion on Thursday, September 26 entitled, "The Federal Budget and Appropriations for FY2014: Democracy, Governance, and Human Rights in the Middle East." The event featured four panelists: **Stephen McInerney**, Executive Director at the Project on Middle East Democracy; **Cole Bockenfeld**, Advocacy Director at the Project on Middle East Democracy; **Steven Heydemann**, Senior Advisor for the Middle East Initiatives at the United States Institute of Peace and Research Associate Professor at Georgetown University; and **Shadi Hamid**, Director of Research at the Brookings Doha Center and Fellow at the Saban Center for Middle East Policy at the Brookings Institution. **Sebastian Grafe**, Program Director for Foreign and Security Policy and Transatlantic Issues at the Heinrich Boll Foundation, moderated the event.

Stephen McInerney began the discussion by explaining the transition, of the Project on Middle East Democracy's annually released federal budget and appropriations report, from its first release six years ago. He stressed the significant change that occurred in the Middle East over the past two years and the change in Washington, alluding to the hardening of partisan politics. Next, McInerney emphasized that in the political climate of significant budget cuts, the levels of funding remained steady demonstrating the importance of the region. **He was quick to point out though, that the lack of change was unfortunate in a time of such great change in the region, arguing that the United States' foreign assistance was on "auto pilot."** He added that the needs of the Middle East are far different than before the Arab Spring, but the assistance remained about the same showing "surprising stability." McInerney expressed concern over the lack of political support for civil society organizations (CSO's) that compounded their lack of financial support. He singled out his disappointment for the growing weakness of the Middle East Partnerships Initiative (MEPI), which ten years ago established support for CSO's. According to McInerney, MEPI was a "small, nimble" risk taker compared to USAID, but recently they are "less willing to take action... and afraid to antagonize host countries."

Cole Bockenfeld focused on several of the countries addressed in the report. He began by discussing the report's analysis of Tunisia and Libya: **indicating that in 2011 there was strong support for democracy promotion, but recent security incidents in Benghazi and Tunis led to a withdrawal of staff and an overall "disengagement."** Then, he pointed out that while Libya has significant economic capacity due to its oil reserves, recent protests and attacks reduced output and have shown the volatility in the Libyan economy. This inconsistency, he suggested, makes aid programs important even in the resource abundant country of Libya. Next, Bockenfeld noted that the Middle East North Africa Fund, developed following the uprisings in 2011, received no funding from both the House and Senate this year—the Senate choosing to instead fund a Complex Foreign Crises Fund. Returning to individual countries, Bockenfeld discussed the strong support for Yemen, particularly for security and counterterrorism efforts. **He cautioned, though, that U.S. counterterrorism measures undermines the authority of the regime, particularly as Yemen continues its National Dialogue and tries to**

reconcile the various tribal and regional tensions that exist. He then congratulated the administration for the nearly 1.4 billion USD in humanitarian aid for Syrian refugees and internally displaced. Looking ahead though, he noted that Syria is designated a state sponsor of terror, which makes programs supporting CSO's difficult due to legal restrictions and sanctions that might impact democracy promotion in the future if Assad's regime falls.

Steve Heydemann emphasized that the report is the "definitive source for tracking trends" on foreign assistance to the Middle East and North Africa. He suggested there is a gap between the rhetoric that promotes democracy and the money that is actually spent. **The report, he indicated, "makes clear" that "only modest, short-term changes have occurred since 2011."** He explained that numerous factors are to blame, including bureaucratic inertia and executive/legislative disconnect. Ultimately, the continued policies, Heydemann argued, reflect the preference for stability and security "as pillars of support," but it is questionable if they actually support U.S. interests. **Heydemann finished his comments by stressing that three things are clear—the government seeks, "continuity, stability, and risk aversion."** He remained optimistic though, suggesting that the report provides a solid empirical base to have a debate about U.S. interests in the region, providing an "opportunity for accountability."

Shadi Hamid began his remarks by reiterating what the others had alluded to, "U.S. policy is the same as it was in 2010 before the Arab Spring." He explained his surprise that the U.S. was unable to reformulate its policy after such a monumental change in the region. He then criticized President **Barack Obama's** United Nations General Assembly speech for negating his famous May 2011 speech that called for U.S.'s foreign policy to emphasize democracy promotion. **He argued, "Assistance is divorced from the broader policy strategy," and that policymakers are, "afraid to lose leverage we never use."** Because of this, he concluded, that U.S. threats to use foreign assistance, as a tool to affect change, is not taken seriously. Next, he focused on the authoritarian stability paradigm, suggesting, "there is no such thing" as stability within authoritarian regimes. Instead, he called it "a brittle stability" capable of cracking at any moment; something that should have been a lesson from the Arab Spring. Hamid concluded his remarks asking the audience, "Why aren't we supporting democracy when we know it leads to stability?" He provided no definitive answer, but suggested it was either a lack of leadership or something politicians say, but do not actually believe.

During the Q&A, McInerney answered a question regarding stipulations to Egyptian aid. He argued that some of the proposed legislation removed a national security waiver that has been included in previous aid to Egypt, but suggested that Congress's conditions placed on aid were not as effective as the administration's conditions. He indicated this was due to the constant fluctuations in international affairs and Congress can only change aid once a year through appropriations, whereas the administration can adjust with the changing events on the ground. Hamid concluded the Q&A answering a question regarding Saudi Arabia's influence in Egypt compared to the United States. **He argued that although the gulf states, particularly Saudi Arabia, can provide enormous amounts of money, they cannot provide the military equipment and training that the U.S. can provide.** Therefore, despite the smaller overall amount, he indicated, the aid provides significant leverage if used appropriately.