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SAUDI ARABIA: FRIEND OR FOE IN THE WAR ON TERROR?

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Let me begin my testimony with an important caveat. Saudi Arabia is no more perfect than any other country. Like us, Saudi Arabia has made many mistakes in dealing with terrorism, in foreign policy, and managing its domestic affairs. There are many areas where leading Saudis recognize that Saudi Arabia needs major reforms. These include education and ensuring that clerics recognize their responsibility to preach tolerance, the value of other faiths and branches of Islam, and the dangers of violence and terrorism. I have spoken and written about these needs for reform on many occasions over many years — as, for that matter, have many Saudis.

I am also all too aware of the level of anger and resentment against the United States and the West that the United States sometimes finds in Saudi Arabia, and that Saudi clerics and intellectuals can use extreme and hostile rhetoric. It is one of the tragedies of the aftermath of 9/11 that both Saudis and Americans still lash out at each other, posit conspiracy theories, and act out of fear and anger.

I would remind the Committee, however, that U.S. clerics, intellectuals and members of Congress have discussed Islam and Arabs in equally regrettable terms. We have leading clerics who do not hesitate to call for assassinations. We had two leading clerics who reacted to the attack on the World Trade Center and the Pentagon by suggesting that God was inflicting a just punishment on the United States for its sins. A substantial number of Christian preachers tolerate Judaism because they feel that the Bible indicates that Israel is the road to Armageddon and to rapture and that the second coming will, in any case, involve the conversion of all the Jews. No country has a monopoly on intolerance, foolish anger and careless words.

LOOKING BEYOND SAUDI ARABIA: THE REAL CHALLENGE

Both the West and moderates throughout the Arab world and Islam face a very real struggle against Islamist extremism and terrorism. This is a struggle we cannot win alone. It can only be won by moderate

Arabs and Muslims, and such allies are essential to any victory in the war on terrorism.

Islamist extremist movements represent a small fraction of Arabs and Muslims. They can, however, feed on broad resentment of cultural change and the impact of globalism throughout the Arab and Islamic worlds. There is deep anger over the Arab-Israeli conflict, and against the United States because it is perceived as Israel's ally. The Iraq War has compounded this anger, and it has led to high levels of popular resentment of the United States by the population of many of our friends in the region.

These trends are reflected all too clearly in the work of one of the most respected polling organizations in the United States. The Pew group reported, "In the predominantly Muslim countries surveyed, anger toward the United States remains pervasive. Osama bin Laden is viewed favorably by large percentages in Pakistan (65%), Jordan (55%) and Morocco (45%). Even in Turkey, where Bin Laden is highly unpopular, as many as 31% say that suicide attacks against Americans and other Westerners" are justifiable.

There are many other surveys that deliver the same message, just as there are many surveys of U.S. and Western opinion that reflect anger against terrorism and hostility towards Islam and the Arab world.

Fortunately, these trends do not yet reflect a consistent trend upwards, and there are significant downward trends in some countries. But members of the committee should look carefully at the data for Jordan, Morocco, Pakistan and Turkey. And these are the figures for friendly countries. It is not possible to conduct similar surveys of the level of anger in countries whose regimes are hostile to the United States or where internal turmoil makes surveys impossible.

There are good reasons that President Bush gives a high priority to helping Israel and the Palestinians agree on a peace settlement and to making massive improvements in our public diplomacy. There are good reasons to see the war in Iraq as a political struggle both for Iraqi hearts and minds and those of all the people in the region.

We face a political and ideological struggle that cuts across all of North Africa and the Middle East and ranges into Central, South and Southeast Asia. The forces involved are generational, and they can only be made worse if we fall into the trap of attacking Islam or the regimes that are fighting the same battle against terrorism and extremism that we are.

The forces of demographic change and the other factors shaping regional tensions and acting as a breeding ground for extremism should caution us that reform and change have to be pushed forward with care and consistent efforts to work with local reformers, and that regimes to achieve evolutionary change are the only alternative to revolution and upheaval.

There is no single cause for Islamist extremism and no easy correlation between any given set of the region's problems and support for violence and terrorism. More broadly, virtually every expert would agree that the problems that face this region include the following:

• Weak secular regimes and political parties have pushed the peoples of the region back towards Islam and made them seek to redefine the role of religion in their lives.

• Massive population increases: The Middle East and North Africa (MENA) had a population of 112 million in 1950. The population is well over 415 million today and approaching a fourfold increase. It will more than double again, to at least 833 million, by 2050.

• Some 36 percent of the total MENA population is under 15 years of age, versus 21 percent in the United States and 16 percent in the EU. The ratio of dependents to each working-age man and woman is three times that in a developed region like the EU.

• A "youth explosion," where the 20-24 age group — the key age group entering the job market and political society — has grown steadily from 10 million in 1950 to 36 million today and will grow steadily to at least 56 million by 2050.

• A failure to achieve global competitiveness, diversify economies and create jobs that is only partially disguised by the present boom in oil revenues. Direct and disguised unemployment ranges from 12-20 percent in many countries, and the World Bank projects the labor force as growing by at least 3 percent per year for the next decade.

• A region-wide average per capita income of around $2,200 versus $26,000 in the high-income countries in the West.

• A steady decline in non-petroleum exports as a percentage of world trade over a period of nearly half a century, and an equal pattern of decline in regional GDP as a share of global GDP.

• Hyperurbanization and a half-century decline in agricultural and traditional trades that impose high levels of stress on traditional social safety nets and extended families. The urban population seems to have been under 15 million in 1950. It has since more than doubled from 84 million in 1980 to 173 million today, and some 25 percent of the population will soon live in cities of one million or more.

• Broad problems in integrating women effectively and productively into the work force. Female employment in the MENA region has grown from 24 percent of the labor force in 1980 to 28 percent today, but that total is 15 percent lower than in a high-growth area like East Asia.

• Growing pressures on young men and women in the Middle East and North Africa to emigrate to Europe and the United States to find jobs and economic opportunities that inevitably create new tensions and adjustment problems.

• Low levels of intraregional trade: Almost all nations in the region have nations outside the region as their major trading partners, and increased intra-regional trade offers little or no comparative advantage.

• Water scarcity: Much of the region cannot afford to provide more water for agriculture at market prices and in the face of human demand; much has become a "permanent" food importer. Regional manufacturers and light industry have grown steadily in volume but not in global competitiveness.

• A communications explosion: Global and regional satellite communications, the Internet and other media have shattered censorship, and extremists readily exploit these tools.

• A failed or inadequate growth in every aspect of infrastructure and in key areas like housing and education.

• Growing internal security problems that often are far more serious than the external threat that terrorism and extremism pose to the West.

• A failure to modernize conventional military forces and to recapitalize them. This failure is forcing regional states to radically reshape their security structures and is pushing some toward proliferation.

Unlike today's crises and conflicts, these forces will play out over decades. They cannot be dealt with simply by attacking today's terrorists and extremists; they cannot be dealt with by pretending religion is not an issue and that tolerance can be based on indifference or ignorance.

We can only win the "war on terrorism" if we accept the need to work systematically and consistently with friendly regimes and moderates and reformers in the region for evolutionary change. If we posture for our own domestic political purposes, call on other faiths and cultures to become our mirror image, or demand the impossible, we will further undercut our influence and breed more anger and resentment.

If we are careless in our efforts, seek to impose them or use threats, we will aid the extremists. We will reinforce the impression that is already all too common that we are "crusaders" and "occupiers," and that we use reform as a tool to create our own puppet regimes and are not sincere in acting as a force for progressive change.

SAUDI ARABIA AS A FRIEND, NOT A FOE

I realize that this hearing focuses on one key issue: Whether Saudi Arabia is a friend or an enemy. The question we are here to address is not whether Saudi Arabia has flaws or needs reform, nor whether Saudi Arabia has a different culture and set of values. The question is rather what Saudi Arabia's relations with the United States have been, are and will be.

In spite of all the anger over 9/11, we need to consider the following facts: We fought side by side during the Gulf War, and U.S. forces operated out of Saudi Arabia against Iraq until the end of the Iraq War. Both countries failed, however, to appreciate the impact that a continuing U.S. presence had in focusing Bin Laden's attention on the United States and the Saudi regime. Both nations were slow to take him seriously as a threat and slower to take tangible action.

Saudi Arabia did not support our invasion of Iraq at the political or diplomatic level. The idea of such a war was (and is) very unpopular among the Saudi people. Moreover, the foreign minister warned us of the problems we would encounter in the aftermath of such an invasion and of the kingdom's fear it could destabilize the region.

Nevertheless, Saudi Arabia provided critical support to the United States in the war against Saddam Hussein, in spite of the fact the Saudis had strong reservations about the war. Saudi Arabia opened up its airspace, made available its airbases, and housed special forces when Turkey reneged on basing U.S. forces at the last moment.

Unlike Turkey, which was offered a $30 billion aid package for its support, the kingdom did not ask for any compensation. In fact, it provided free and subsidized fuel to U.S. forces. Saudi Arabia also provided crude oil to Jordan to compensate it for the loss of deliveries from Iraq.

After the invasion, the kingdom sent relief supplies to Iraq, including a field hospital that performed over 200,000 procedures when there was no functioning

hospital in Baghdad. Saudi Arabia also offered loans and export guarantees worth over $1 billion to the Iraqis, and offered to supply gasoline and diesel fuel when Iraq ran short of both in the run-up to the elections in early 2004. It has discussed forgiving both Iraq's debts and reparations obligations.

Saudi Arabia has worked with the United States to mobilize Iraq's neighbors in support of Iraq. Last year, it floated the idea of sending peace-keeping troops from Arab and Muslim countries not neighboring Iraq to Iraq to help with security (the United Nations welcomed the idea; the United States was lukewarm). Currently, it is working within the Arab League to try to bring Iraq's various factions together to agree on a common future. This move has been welcomed by the United States.

While U.S. combat forces have left Saudi Arabia, the United States remains Saudi Arabia's principal military adviser, supplier and source of technical assistance. Work by Richard F. Grimmett of the Congressional Research Service shows that Saudi Arabia signed $5.6 billion worth of new arms-transfer agreements between 2001 and 2004. $3.8 billion (68 percent) came from the United States.

WAR ON TERRORISM

We need to remember that the United States put intense and consistent pressure on Saudi Arabia to aid Islamist freedom fighters in Afghanistan during the Cold War and that the United States then saw Saudi support of Islamists as a counterbalance to communism. We both were slow to see the risks of what we were doing and how extremist might take advantage of such efforts — just as Israel once made the mistake of aiding Islamists as what it hoped would be a counterbalance to the PLO.

Like the United States, Saudi Arabia was slow to commit itself to the struggle against terrorism and extremism, but it drove Bin Laden out of the country in the mid-1990s and helped push him out of the Sudan.

Saudi Arabia was slow in taking substantive action after 9/11, and some Saudis lived (and still live) in a world of denial and conspiracy theories. Nevertheless, Saudi leaders immediately condemned terrorism after 9/11, as did leading Saudi clerics. Saudi cooperation with the United States has steadily improved over time, and has become far closer since when Saudi Arabia came under attack in mid-2003.

Saudi Arabia is now actively involved in an internal battle with al-Qaeda terrorists. Many such terrorists have been killed or captured, and many Saudi security personnel have lost their lives in the line of duty. This battle is being fought with considerable U.S. support, and U.S. and Saudi cooperation has become much stronger in recent years.

The full scale of this cooperation, like Saudi cooperation with the United States in the Iraq War, is highly sensitive. I would urge the Committee to seek a briefing on the details from the Bush administration in closed session on why the State Department praised Saudi Arabia for its internal and foreign efforts to fight terrorism in the annual report on "Patterns in Global Terrorism" that it issued in April 2004. Ambassador J. Cofer Black, coordinator for counterterrorism, stated in his introductory remarks, "I would cite Saudi Arabia as an excellent example of a nation increasingly focusing its political will to fight terrorism. Saudi Arabia has launched an aggressive, comprehensive and unprecedented cam-

paign to hunt down terrorists, uncover their plots and cut off their sources of funding."

There are, however, a number of examples that are a matter of public record. At the initiative of then Crown Prince, now King, Abdullah, Saudi Arabia and the United States established two task forces: one to combat terrorism, the other to combat terror financing. Officials from both countries now work side by side in the war on terror, and these task forces have become models for international cooperation.

Saudi Arabia has strengthened liaison relationships with other countries. Saudi Arabia held an International Counter-Terrorism Conference in Riyadh in February of this year. Over 50 nations sent high-level representatives who were experts in the area, including the United States, which sent a delegation headed by Frances Townsend, adviser to the president for Homeland Security. The resulting report and Riyadh declaration called upon the United Nations to create a new international center to fight terrorism as well as on all countries to strengthen their cooperation and national efforts.

In addition, Saudi Arabia regularly reports to the U. N. Security Council Committees on its actions against terrorism, and has complied with key UNSCR regulations. These include freezing the financial assets of the Taliban regime (Resolution 1267) and funds of listed individuals (Resolution 1333). It has signed the International Convention for Suppression and Financing of Terrorism (Resolution 1373), and implemented Resolutions 1390 and 1368.

THE FINANCING OF TERRORISM

Saudi Arabia can still do more to fight terrorist financing — although U.S. Treasury experts have come to praise Saudi cooperation when they initially condemned it. We should understand, however, that governmental efforts to control terrorist financing have sharp limits and have probably reached the point of diminishing returns.

Individuals in Saudi Arabia and many other Arab and Islamic countries will continue to support such organizations or their fronts, and regional governments can only do so much to limit such funding. Merrill Lynch's estimates that the capital controlled by wealthy individuals in the Middle East rose by 29 percent during 2003-2004, to a level of approximately $1 trillion, raise serious questions about how much governments can do. Much of this capital is in private accounts outside the region, terrorist operations are only moderately expensive, and Merrill Lynch projects a further 9 percent annual rise in such holdings from 2004 to 2009.

Yet, Saudi Arabia began to try to control such funding in the 1990s, long before most of the states in the region. It froze Bin Laden's assets in 1994. The Saudi Arabian Monetary Association (SAMA) and the Ministry of Commerce issued guidelines to the kingdom's financial and commercial sectors for combating money-laundering activities and began to create units to counter money laundering in the Ministry of Interior, in SAMA and in commercial banks in 1995.

Saudi Arabia has since taken the following steps:

• It required all Saudi banks on September 26, 2001, to identify and freeze all assets relating to terrorist suspects and entities in response to a list issued by the United States government.

• It issued rules "Governing the Opening of Bank Accounts" and "General Operational Guidelines" in order to protect banks against money-laundering activities in May 2002.

• SAMA began to implement a major technical program to train judges and investigators on legal matters involving terrorism financing and money-laundering methods, international requirements for financial secrecy, and methods followed by criminals to exchange information in May 2003.

• The Council of Ministers approved new legislation that puts in place harsh penalties for the crimes of money laundering and terror financing in August 2003.

• It created a joint task force on terror financing. American and Saudi officials work side by side in this area, and the United States is providing training programs for Saudi officials.

• Saudi Arabia has frozen all charitable activity outside the kingdom. Charities cannot withdraw cash from their accounts.

• Charities cannot collect cash donations in public places.

• Saudi Arabia has implemented the 40 recommendations of the Financial Action Task Force (FATF) of the G-8 on money laundering and the eight recommendations on terror financing. FATF conducted a mutual evaluation of the kingdom's mechanisms in the fall of 2003 and found them in line with international standards. The kingdom is today a member of FATF.

• FATF found the kingdom's laws on money laundering and terror financing to be in line with best practices and pointed to examples of successful prosecutions in the kingdom.

• The kingdom has set up a Financial Intelligence Unit (FIU) and is in the process of joining the Egmond Group. The U.S. Treasury Department has been assisting the kingdom in this process, which should be completed in the near future.

• The kingdom has put in place regulations for taking cash from or into the country.

• The kingdom is in the process of establishing a National Commission for Charitable Activities Abroad through which all private charitable activities will take place. Until such time as this commission is established, no Saudi charity can send funds abroad. Exceptions were made for the Tsunami and the tragedy in Darfur under strict oversight by the Saudi Red Crescent Society, an arm of the Saudi government.

ENERGY

For all the noise over energy independence, the fact remains that over 60 percent of the world's proven conventional oil reserves are in the Gulf, and 25 percent are in Saudi Arabia. Furthermore, the Energy Information Administration (EIA) estimates that the "best case" limit U.S. energy policy can put on our percentage of dependence on oil imports through 2025 is to keep it constant, and the reference case shows a major increase.

Saudi Arabia has historically maintained a production cushion of 2-2.5 mb/d for use during shortfalls in production elsewhere. It tapped into that cushion after the fall of the shah in 1979; during the first Gulf War, in 1990-91, when there was a shortfall in Kuwaiti and Iraqi production in the run-up to the war with Iraq in early 2003; and today as a result of various factors (Iraqi shortfalls, political instability in Nigeria and Venezuela, Yukos in Russia, natural disasters).

Unlike many oil powers with more limited reserves, Saudi Arabia had long sought to keep prices moderate to ensure consistent long-term demand. It has responded to the recent rapid increases in world energy demand and lack of surplus crude-oil and refinery capacity by investing over $50 billion in its oil sector over the next seven years.

This in part responds to U.S. calls for an increase in its oil production to 12.5 million barrels/day. Saudi Arabia has also talked about the possibility of increasing output to 14-16 million barrels a day. It almost certainly can never reach the absurdly high levels called for in some theoretical models.

EDUCATION AND THE ROLE OF THE CLERGY

There are many areas where both our countries need to do a far better job of educating ourselves about other nations, cultures and religions. There is no question that Saudi Arabia long focused on building schools and on measures like teacher-to-student ratios and did little to modernize its curriculum or review the nature and quality of what was being taught. It tended to pay little attention to what its clerics said as long as this did not have an internal political impact, and much of it was what some said was the mirror image of hate literature in the West.

I know how extreme these attitudes can be from my own talks with Saudi students, educators and clerics inside Saudi Arabia. In general, few societies are friendlier and more polite. Yet I have been attacked to my face simply for being an American, and behind my back for being a tool of Israel. People have tried to discredit me simply by saying I am Jewish — something I would be proud to be but am not. I have read sermons and literature at the margins of Saudi society and culture that should never have had broad circulation without active protest and rebuttal.

More broadly, we are two very different societies and cultures. Saudi Arabia has a population and a mix of clerics that are much more conservative than its ruling family, the Al Shaikh family (the descendents of Muhammad al Wahhab), and most top Saudi officials, intellectuals and businessmen. The stereotype of political development in the West — a progressive people pushing against the resistance of a conservative regime — does not fit this society. Saudi Arabia also is very much a consensus society, and this means progress is often slow and indirect.

Having Saudi Arabia as an ally does not mean that Saudi culture is going to become Western, that it will not be a puritanical Islamic state, or that we will not differ sharply over the rate of progress in an Israeli-Palestinian peace process.

At best, Saudi Arabia will take years to make the kind of progress that took decades in the West. Popular support for open religious activities by other faiths may well be a matter of decades. Saudi Arabia also is going to have to re-educate some of its clergy and find better teachers — eliminating Egyptian and Jordanian Islamist teachers in the process.

Nevertheless, Saudi Arabia should not be judged by the literature it issued back in the 1990s or by its worst sermons, literature and teaching aids today. No society can be judged by its worst performance, and real progress is taking place. Saudi Arabia is, after all, a nation whose crown prince — now king — not only took the risk of publicly calling for a comprehensive

peace with Israel, but helped win agreement on such proposals from the Arab League.

Saudi Arabia is in the midst of a three-year program to overhaul its educational system. Materials deemed offensive are being purged from textbooks, new teaching methods are being introduced, and programs to retrain public school teachers are being put in place. This is a multi-year effort and is extremely politically sensitive and difficult. Some outside pressure helps. Too much outside pressure fuels resistance and efforts by Islamic extremists.

Similarly, the Ministry of Islamic Affairs is in the midst of a program to put in place better monitoring of what is taught at religious schools and what is said in mosques. To date, Saudi Arabia reports that over 2,000 imams have been disciplined or dismissed for preaching extremism and intolerance. Saudi Arabia might well be able to take more action and take it more quickly, but my visits to Saudi Arabia — and talking to U.S. embassy officials and critics of the government — confirm that the effort is real.

Saudi Arabia began efforts to warn its public about extremists back in the late 1990s at a low level and reinforced them after 9/11 and May 2003. It launched a large-scale national public-awareness campaign early in 2005 which focused on the fact that Islamist extremists are "deviationists" and the message to Saudis that terrorism and extremism, for any reason, are not part of the Islamic faith.

This campaign included advertisements on billboards and TV, documentaries, and seminars at schools and mosques. Throughout the month of Ramadan, for example, programs dealing with extremism and intolerance were broadcast during the prime viewing hours on Saudi television.

Various government ministries have carried out internal campaigns to build awareness of the threat posed by terrorism and extremism and have organized lectures and exhibitions in schools, universities and public areas. Saudi-based businesses and organizations include counterterrorism messages in their communications with customers, including ATM transactions, utility bills and text messages.

While I have no way to evaluate the exact level of activity taking place, Saudi Arabia began a campaign in February 2005 to educate the society at large, with different series produced for children and adults:

• Full-length documentaries that examine different aspects of terrorism and religious tolerance, such as "Religious Dialogue," a multi-series program that identifies the rise and expansion of Islamic extremism throughout the Muslim world and demonstrates the ways in which terrorism defies Islamic values;

• Short films that inform the public about steps the government is taking to fight terrorism, including "The Secure Land," which focuses on the different branches of Saudi security (e.g. Border Patrol, Customs, National Guard, etc) and demonstrates how the kingdom's security forces cooperate to defend Saudi Arabia from acts of terror;

• Cartoons that inspire moderation and nationalism, including "My Town," a children's series that reinforces the tolerance intrinsic to Islam and encourages patriotism as a means to fight terrorism;

• Interview programs that broadcast the opinions of academics and terrorism victims, such as "Why?" a series that

introduces the nation to families of security forces killed during terrorist attacks as well as to religious scholars who condemn the reasoning communicated by terrorists as justification for their acts;

• TV dialogue programs that encourage critical thinking and debate about issues related to terrorism, such as "The Discourse of Mind and Logic," in which academics and specialists analyze the atrocities committed in the name of religion and examine different ways to fight the spread of terrorism and terror ideology.

It is also carrying out an advertising campaign on a number of Arabic satellite networks including Al-Arabiya, MBC and Future Television, as well as on Saudi TV channels. This campaign began in early 2005 and has three phases:

• Phase I aims to stir public emotion by presenting victims of terrorist acts and to personalize the horrors of terrorism. This phase is exemplified by an ad in which a father looks through photos of his son, whose life was taken by terrorism.

• Phase II seeks to reinforce the notion that terrorism is wrong and in no way represents Saudi values or the tenets of Islam. This message is demonstrated in an ad where a man is seen building an explosive device, and then realizes that such work is destructive to humanity at large.

• Phase III aspires to promote national unity in the fight against terrorism. The message of this phase is illustrated by an ad in which thousands of Saudis are seen carefully placing rocks in a particular structure. As the camera pans away, the audience sees that the assemblage of Saudis has recreated the map of Saudi Arabia in stone.

Since 9/11, the Saudi government has also sponsored a number of internal dialogues on reform and modernization, and international dialogues on religion, cultural differences and the need for tolerance. The King Faisal Foundation is one such organization sponsored by leading members of the royal family.

In September 2005, Saudi Arabia convened a conference of Islamic scholars at the initiative of King Abdullah. Representatives came from all over the world, including the United States, to discuss such issues as "extremism, intolerance, dealing with the other, the role of a Muslim minority in a non-Muslim state, the issuing of fatwas, terrorism...."

The recommendations of the scholars formed the basis of the Extraordinary Summit of members of the Organization of the Islamic Conference (OIC), which was held in Makkah in early December 2005. This event was an important milestone in shaping thinking in the Muslim world about these issues, because Saudi Arabia, as the Custodian of the Two Holy Mosques, is the most important Islamic nation.

OTHER ASPECTS OF THE U.S.-SAUDI RELATIONSHIP

Economic relations are not always a measure of friendship, but Saudi Arabia is one of our largest trading partners. It is our largest market in the Middle East, and American companies are among the largest foreign investors in the kingdom. Saudis, in turn, are still among the largest foreign investors in the United States, and the Saudi government has been one of the largest buyers of U.S. debt instruments.

Saudi Arabia quietly donated over $100 million to help the victims of Hurricane Katrina. The supplies are bought in the

United States and distributed directly to those who need them. In some cases, this aid arrived before federal or state aid arrived.

A U.S. STRATEGY FOR SAUDI ARABIA AND THE REGION

For all of these reasons, I see the Saudi Accountability Act as the kind of U.S. posturing that will do far more to aid Bin Laden and extremism than put meaningful leverage on Saudi Arabia or any other friendly Arab and Muslim country. It will simply reinforce all of the regional stereotypes and conspiracy theories — that the United States does not understand the region, cares little about its people and a great deal about its own interests, and is trying to impose its values and create puppet regimes for its own purposes.

The Bush administration has almost certainly been correct in stating that the Arab world and Middle East can only achieve stability through reform. Terrorism and extremism can only be defeated at the ideological, political, economic and social level. Without such action, military and internal security efforts will fail — sometimes quickly, as in the case of Iraq, and sometimes slowly, as in the case of today's more successful "one man" regimes.

THE NEED FOR THE RIGHT KIND OF U.S. REFORM EFFORT

The United States, the Bush administration and the Congress need to be careful to avoid acting on the assumption that reform can come from the outside, that the same largely American or Western solution can work in all Arab and Islamic states, and that "democracy" is somehow a magic word that transforms entire societies.

• The fact is that meaningful religious reform can only come from within Islam, the region, and individual states. The United States and the West cannot fight Islam's battle for the soul of Islam. This is a struggle that can only be fought and won within the region. If it is left to outsiders, or dealt with through denial, it is a struggle that will go on indefinitely and sometimes be lost. It is a struggle that every Middle Eastern intellectual, and every government, needs to face.

• The most outsiders can do is point out the obvious: This struggle is the most important single strategic priority for virtually every Middle Eastern and Islamic state. It is necessary and unavoidable, and interacts with the wider struggle for a tolerant global society based on mutual respect and human rights. More broadly, the United States, the Bush administration and the Congress need to be careful to adopt realistic time scales for evolutionary change and to avoid focusing on "democracy," as if a simple political fix could be encouraged or imposed on every nation from the outside and at nearly the same time.

• At a minimum, workable "democracy" means taking the time to create government with strong checks and balances. It means priority for human rights and the rule of law over the simple act of voting. It means creating functional political parties capable of both serving the nation and looking beyond one man, one vote, one time. Pure democracy has never worked in any state. Sufficiently crude democracy is little better.

• Both development and regional strategic stability will occur one nation at a time and at different rates and in different ways. They will be driven either by local

reformers and by political evolution or will often collapse into forms of revolution that may be worse than the status quo.

• The real-world priority for reform also has to give equal balance to economic reform, employment, education, social services, and reducing population growth rates. It means finding solutions to ethnic and religious divisions and social change. It means giving at least as much priority to the economic role of women as the political role, creating a broad and globally competitive labor force.

This kind of evolutionary reform can only occur at a different pace and in a different way in each state in the region. Like religious reform, it can only come from within and must be driven by local reformers. It cannot be driven by U.S. public diplomacy or by seeking to make over every state into something approaching the form of the United States or Europe. We are not talking about a few years; we are talking a decade and sometimes decades.

If we are to avoid letting extremists like Bin Laden drive us into a true clash of civilizations, we need a realistic strategy for reform on both sides. Saudi Arabia, the Arab world and other Islamic states cannot deal with their needs for reform through denial, through complaining about outside states and forces, complaining about U.S. and other external calls for reform, or waiting for the solutions to the region's other strategic problems. The United States cannot deal with the issue by demanding mirror images, instant action, and all the other aspects of its traditional initial solution to every problem: "simple, quick and wrong."

THE SAUDI AND ARAB SIDE OF THE EFFORT

The Middle East and Arab world will succeed, if and when it starts to solve its problems one nation at a time, honestly and without waiting for outside aid or solutions to all the region's ills. It is also important to note that it now has a unique window of opportunity. The resources for action are also much greater today. The current projections of the EIA indicate that MENA oil-export revenues will rise from a recent low of around $100 billion in 1998 in constant 2004 dollars to over $500 billion in 2005 — reaching or exceeding the former peak of some $500 billion reached in 1980.

The question is whether MENA governments will act upon this window of opportunity, whether the wealthier states will look beyond their own needs, and whether the poorer states will actually move towards effective development and reform. No nation has developed since World War II that did not develop itself and solve virtually all of its own problems. If Asian states like Taiwan, South Korea, Japan or other Asian states had waited for peace or regional solutions, Asia would be another Middle East.

THE U.S. AND WESTERN SIDE OF THE EFFORT

The United States and Europe, however, need patience, a balanced approach to reform, strong country missions capable of encouraging local governments and reformers, and the understanding that different societies and cultures will often take a different path. In practice, this means a very different strategy based on persuasion, partnership and cooption rather than pressure and conversion:

• Implement a broadly-based reform strategy: Social, economic and political reforms should be supported, but in an evolutionary sense. The United States and Western states, however, cannot be seen as pushing these reforms in ways that discredit local officials and reformers. Outside pressure for change will be resisted even if the reforms are necessary, and too much overt pressure is counterproductive.

• One size does not fit all. The Arab and Islamic worlds are not monolithic. Each country requires different sets of reforms and needs. Some need help in reforming their political process, others need economic aid, and others need special attention to their demographic dynamics and population control. The West, therefore, must avoid any generalized strategy of dealing with the Arab-Islamic world as one entity.

• Work on a country-by-country approach and rely on strong country teams, not regional approaches: Regional polices, meetings and slogans will not deal with real-world needs or provide the kind of dialogue with local officials and reformers, tailored pressure and aid, and country plans and policies that are needed. Strong country teams both in Washington and in U.S. embassies are the keys to success.

• Recognize that the pace of reform will be relatively slow if it is to be stable and evolutionary, and dependent on partnership and cooption. Artificial deadlines and false crises can only lead to failed tactics and strategies. Outside support for reform must move at the pace countries can actually absorb and shift priorities to reflect the options that are actually available. History takes time and does not conform to the tenure of any given set of policy makers.

• Carefully support moderate voices: "Moderates" in the region do need the support of the West, but obvious outside backing can hurt internal reform efforts. Moreover, "moderate" must be defined in broad terms. It does not mean "secularist" and it does not necessarily mean "pro-American." It also, however, does not mean supporting voices that claim to support freedom and democracy but are actually voices of extremism.

• Democratization is only part of reform and depends on creating a rule of law, checks and balances and a separation of powers, protection for minorities and human rights, and effective political parties. Trying to force or "rush" democracy on Middle Eastern countries is impractical and counterproductive. The goal should be to help MENA countries develop more pluralistic and representative governments that respect the rights of minorities.

• Recognize that the West and the United States cannot hope to win a struggle for Islam and reform from the outside. It is the efforts of local governments, reformers, educators and media that will be critical. Encouraging and aiding such efforts is far more important than advancing the image of the United States or Western states or trying to shape local and regional attitudes through Western public diplomacy.

• Avoid generalizing about Muslims: Generalizing about Islam as a source of violence and discriminating against Muslims in the West can alienate "uncommitted" Muslims.

• Demonizing any part of Islam will aid extremists: The problem of terrorism is not the problem of "puritan" or "Wahhabi" Islam, but the attitude of violence and intolerance of politically motivated groups that exploit religious teaching to gain legitimacy in the eyes of their recruits and followers. To defeat these groups, their

motivations need to be understood and fought at their roots

• Avoid supporting "secularism" against "traditionalism:" The region has seen its share of failed governance systems. Most efforts to secularize have failed, and the United States should not be seen as a driving force behind what may be assured failure.

• Don't try to divide and conquer: The West should stay clear of issues like Sunni-Shiite frictions and taking sides with ethic and sectarian groups. It does not serve anyone when they are played against each other. The Iran-Iraq War was a perfect example of how interfering can backfire. The United States should avoid playing any role that could encourage such divisions, particularly given the current environment in Iraq.

• Liberalism vs. counterterrorism: The liberty democratic societies afford people is sometimes the same tool extremists use to spread their hateful ideology. The West must be careful in advocating immediate liberalization and freedom of speech in the Middle East.

• Apply a single set of standards to Western and regional counterterrorism: Do what you preach and preach what you do. The West and specifically the United States should avoid being seen as supporting violation of human rights and abusive security measures in counterterrorism, while advocating human freedom. Violence by states against civilians, be it in Russia, Egypt or Israel, should be equally condemned.

In short, any effective strategy to deal with terrorism and extremism means addressing two key strategic issues that go far beyond the so-called war on terrorism. One is whether the Arab world can recognize the need for reform and achieve it. The second is whether the West, and particularly the United States, can learn to work quietly with nations for effective reform, rather than seeking to impose it noisily, and sometimes violently, on an entire region.