

Thank you all for coming, and thank you, Marwan, for that gracious introduction. Marwan has been one of the most articulate advocates of political and economic reform in the Middle East. His 2008 book “The Arab Center” is subtitled the “Promise of Moderation.” I think we’ve seen the power of that promise in the extraordinary public outpourings throughout the region.

I also want to congratulate the Carnegie Endowment on its centennial and on its success in adapting so skillfully to a rapidly changing world. So many of us have benefited from the work of this organization. Now that Carnegie has five offices across three continents, it’s truly become a global think tank—and that reflects the nature of so many of the challenges we face today. I applaud your efforts to bring us closer to Andrew Carnegie’s vision of a peaceful world.

Nowhere is pursuit of that vision more important than in the Middle East, where in two short months we have seen stirring triumphs in Tunis and Tahrir Square, unprecedented protests in Sana and Manama, and brutal crackdowns in Tripoli and Benghazi. These uprisings constitute one of the most momentous developments of our time. They also present an enormous challenge both for the people of the region and for America’s relationship with them. How we respond today, right now, will shape our strategic position in the Middle East—and how Muslims around the world see us—for decades to come.

Twenty-two years ago, the Berlin Wall fell. Central and Eastern Europe were freed from the oppression of Soviet rule and the constant subjugation of the police state. It may be hard to remember now, but at the time, we did not know what would come next. We welcomed the destruction of stultifying autocracies, but we could not say what would replace them. What we did know was that there was an opportunity for America to make a difference—so we responded with an enormous package of aid and support. And the actions we took then cemented the end of communism and put our relations with these newly liberated states on the path to the close friendships and alliances we have today.

Now, we must take similar action in the Middle East. The removal of Mubarak from office was a victory above all for the people of Egypt, but it was also a victory for democrats around the world, because it showed that political change—even tremendous political change—can be brought about peacefully. If these gains can be consolidated—if liberation can be translated into lasting democracy—then the new Arab awakening will carry a vital message: that ordinary people everywhere can determine for themselves how they are governed.

The developments in Egypt and Tunisia also represent a blow against extremism that we could not have dealt ourselves. Remember that Ayman Al Zawahiri and his fellow radicals struggled to overturn the Egyptian order for decades but failed to accomplish anything but death and destruction. And yet the people of Egypt managed to liberate themselves in 18 days—without a single IED or suicide bomb. Ordinary citizens—like Wael Ghonim [“Whale Go-NEEM”], the 31-year-old computer engineer—did it with chants and with new media and with courage. A successful democracy in Egypt will demonstrate that al Qaeda’s belief that change requires the cowardly violence of terror is wrong. And it will weaken the position of states like Iran that repress their own people and use terrorist organizations to advance their interests.

If we are able to play a constructive role in the process of political and economic reform in the Middle East, we can affirm the value of democracy and deal a sharp blow to the forces of radicalism. We must recognize the extraordinary opportunity before us—and the danger of failing to seize it.

That is why I am working with Senators McCain and Lieberman on legislation that will support the transition to democratic rule in Egypt and Tunisia, that will encourage movement toward democratic reform in the Middle East, and that will spur sustainable economic development throughout the region.

The future of the Middle East may be uncertain, but just as the Berlin Wall could not be rebuilt, so we know that the old order in the Middle East cannot be restored.

The roots of the “Days of Rage” sweeping the region run deep. The complaints are invariably local, but similar patterns of grievances resonate across borders. This is a region that has long struggled for dignity. Its people escaped the yoke of colonialism only to be confronted with autocracies that cemented their control with powerful, and unaccountable, security institutions.

And, despite the region’s bounty of oil and natural gas, wealth has trickled down to too few—and the population is booming. Sixty percent of Arabs are under the age of 30. Millions of jobs are needed every year just to keep pace with the influx of new workers. But many have few job prospects, and many more have serious concerns about how to provide for their families.

That lack of economic opportunity is matched only by a lack of political openness. The freedoms granted by the government have remained static, even as the Internet has brought the freedoms enjoyed by other societies into vivid relief. Corruption is rampant at every level of government—from the handful of dinar demanded for a simple vending permit, to the gross theft of national resources that allows some leaders to stash away fortunes.

Trust is the heart of governance. And, with no outlet for their frustration, with no recourse for their grievances, and with little hope for a better life for themselves and their children, the people of the Middle East are crying out for change.

Now they are finally tearing down the walls of state-sponsored fear and bureaucratic indifference that have separated them from their leaders. And as Lech Walesa said of the anti-communism that swept Eastern Europe, “He who puts out his hand to stop the wheel of history will have his fingers crushed.”

The events of the past weeks have reminded us that the consent of the governed has always been an essential force—all the more so now that instant communications can render dissent into protest, and protest into revolution. To keep the mandate of their people and to meet the challenges of modernity, the leaders of the region have no choice but to embark on the path of reform. They must respond to the wishes of their citizens, they must offer them opportunity, and they must be more accountable. Because if they do not embrace evolution, they may face revolution—as Muammar Gaddafi has.

In Libya, peaceful protests have been met with the grotesque brutality of a dictator guided only by megalomaniacal self-preservation. For decades, he has turned his back on his people, and now he has responded to their struggle for a more just society with force. He has called their dreams “hallucinations,” and he has targeted their hopes with artillery, and tanks, and aircraft.

The international community cannot simply watch from the sidelines as this quest for democracy is met with violence. The Arab League’s call for a UN no-fly zone over Libya is an unprecedented signal that the old rules of impunity for autocratic leaders no longer stand. Time is running out for the Libyan people. The world needs to respond immediately to avert a humanitarian disaster. The Security Council should act now to heed the Arab League’s call. Whatever the outcome, Qaddafi has no legitimacy and the will of the Libyan people will ultimately prevail.

We are also at a critical moment in Bahrain, the long-time home of the Fifth Fleet. We must continue to urge all sides to refrain from any form of violence and help to move the parties toward a national dialogue that can address the underlying tensions and chart a path of reform. But above all, we must ensure that the recent deployment of foreign troops in Bahrain does not lead to a broader regional conflict.

Fortunately, many leaders in the region have begun responding to the imperative of reform. If they had not already begun moving toward greater political and economic openness, they are now. King Abdullah of Jordan, who has often spoken to me of the need for reform in the region, has promised to give the public a greater role in the political process. In Morocco, King Mohammed has announced a referendum on political reform. The Sultan of Oman has asked the country’s consultative council to propose constitutional changes that will give it a greater voice. A two-decade long state of emergency has been lifted in Algeria. These are tentative first steps, not final measures, but they suggest that no country in the region will escape the populist wave that began with the self-sacrifice of a fruit vendor in Tunisia.

The wave of Arab reforms also impacts our ally Israel. We have already seen pro-western governments fall in Lebanon and Egypt. Other Arab countries, which have had good relations with Israel, may change their postures to more closely reflect popular sentiment. To the extent Israelis found the security situation acceptable prior to the outbreak of unrest, the status quo with its neighbors is now unsustainable. That is why it remains so important to make progress towards the lasting peace that is the only way to ensure Israel’s long-term security.

I will be traveling to the region in the coming days and I plan to say more about the prospects for the Middle East peace process when I return.

Of course, America’s relationship with the region requires a broader readjustment to reflect the new realities. For decades, our Middle East policy has been driven by our addiction to foreign oil—a dependency we have still been unable to break. And democracy and human rights have been overshadowed. Too often over the past decade we have seen regimes in the region chiefly as bulwarks in the fight against terrorism, while looking away from abuses we find unconscionable. The result has been relationships focused on leaders rather than people. But we

can no longer view the Middle East solely through the lens of 9/11. Now, we must view it through the lens of 2011.

As the people of the region demand reform, our approach to the region must embody our core values. At the most basic level, that means that we must be consistent in encouraging governments everywhere to respond to the hopes, and needs, and rights of their citizens. We must also emphasize programs that will strengthen our engagement with the people. What that means in practice will vary from country to country. Egypt is not Jordan, and Jordan is not Libya.

But throughout we must push back against the consolidation of power that has bred economic stagnation, corruption, and popular dissatisfaction. We should encourage the establishment of institutions that translate the will of the people into action, that promote transparency and accountability from leaders, and that safeguard freedom and justice for all.

For this to happen, the citizenry—the entire citizenry—must have a greater voice in the affairs of their government. Just as women made their voices heard on the streets of Cairo and Tunis, so their voices must be heard in the halls of government.

Independent media will play a vital role in closing the distance between the people and their rulers. I am proud that American innovation facilitated the protests. Our soft power is increasingly represented by our software. But access to the free flow of information must be protected.

By contrast, the internal security structures that have long dominated these countries must be checked by an independent judiciary dedicated to enforcing the rule of law and preserving human rights.

Why does America care whether other states enforce the rule of law, reform their economies, and hew to pluralism? We care because we believe that democracy enables the fullest expression of the human spirit and that economic freedom is the engine of human innovation. We believe that when people can trust their government and rely on its justice, the society that flourishes is a stable one. And we believe that stability and prosperity are powerful antidotes to the violent urges of nihilism and extremism.

We know there is a degree of uncertainty in democracy. That is the nature of freedom. And we know that religious parties will seek a voice in the Middle East's new political order, in Egypt and elsewhere. This may be reason for concern, but it is not reason to panic. We should engage the region's political actors while standing by the courage of our convictions. We will reject radicalism and anti-Semitism, and we will embrace moderation. For a modern democracy to function, violence can have no place in the political process.

The course of political reform abroad may demand a degree of faith on our part—faith that democracy will promote tolerance, that it will encourage cooperation, and that it will diminish anti-Americanism.

But that does not mean that we need to rely on faith alone. This is not our revolution, but our involvement can still make a difference. We have seen how American expertise can be valuable at inflection points like these. Just 19 days after the fall of the Berlin Wall, President George H.W. Bush signed into law the Support for East European Democracy Act—or SEED—authorizing nearly a billion dollars to support political and economic transition efforts in Poland and Hungary. The program soon expanded to cover the other Warsaw Pact countries and eventually the countries of the former Yugoslavia. Between 1990 and 2009 SEED expended almost \$9 billion worth of assistance, and it remains active in six Balkan countries.

These programs combined economic assistance—helping with the transition to a free market and ensuring jobs as the old order crumbled—with political expertise and guidance in strengthening civil society, establishing democratic institutions, and carrying out elections. At a crucial moment, American funding and know-how helped others help themselves. Two decades later, many of those countries are thriving democracies, stable economies, and some are even valued members of NATO.

I believe a similar program can be invaluable now. It is particularly important that we get this right in Egypt. From the creation of the Muslim Brotherhood in 1920s to the rise of Pan-Arabism in the 1950s and '60s to the peace treaty with Israel in 1979, Egypt has been an important incubator of ideas for the Middle East. Egypt needed a little prodding from Tunisia earlier this year, but it is again at the vanguard of the new Arab awakening. What happens there will affect not only 80 million Egyptians, but the entire Middle East.

That is why I will be introducing legislation with Senators McCain and Lieberman to use the long experience we have in building democratic institutions and free markets to help our friends in Egypt and elsewhere. This is not something the United States can—or should—do alone. We should engage with the countries of the region to determine how best to support their priorities and leverage the support of international financial institutions, the GCC, and European nations.

One component of this effort, which we announced last week, will be enterprise funds, which will assist small- and medium-sized businesses and support entrepreneurs—a crucial economic lifeline in countries like Egypt, where 40 percent of the population lives on \$2 a day or less. In addition to providing financial assistance, the enterprise funds will provide technical and strategic advice to local business people.

Similar funds were established under SEED, when roughly \$1.2 billion in U.S. assistance was channeled into more than 500 separate enterprises in 19 Eastern European countries. The investment drew an additional \$5 billion in private investment capital from outside the U.S. government, providing the financing to create hundreds of thousands of jobs. Ultimately, the original U.S. investment was repaid—with interest.

Our legislation will also seek to support new and fledgling democracies in the region. We should be helping governments reform their security sectors, building transparency into the fabric of government ministries, strengthening the rule of law, and helping leaders incorporate the views of the public in their day-to-day work. We should be working to strengthen political parties, promoting free and independent media, developing a politically active civil society, and

supporting fair and competitive elections. And we should be helping to create a fair playing field, in which there is transparency, competition, and sufficient time for political parties to organize.

Political and economic efforts of this sort have worked on a smaller scale in the West Bank, and in Egypt we will be building on the experience of institutions like the National Endowment for Democracy, the State Department's Middle East Partnership Initiative, and USAID's democracy programs, which have been laying the groundwork for years. But it is essential that we move quickly to nurture the gains that have been already made in Egypt and Tunisia and that we hope to see elsewhere.

I know that we face a budget crisis in our own country, but democracy assistance is an investment, not a gift. We can either pay now to help brave people build a better future for themselves, or we will certainly pay later with increased threats to our own national security.

We all know there are many hurdles that remain between us and a peaceful and stable Middle East. But even as we face the challenges raised by the events of the past two months, we must take advantage of these momentous developments. The modern Middle East has long confounded American foreign policy-makers trying to balance the need for stability with the shortcomings of realism, and we have often made mistakes.

Now, because the people of the Middle East have spoken, we have an opportunity to help shift the course of regional history toward greater reform for them and greater security for us. Because of the incredible courage of Tunisians and Egyptians and others across the region, the cause of democracy has taken a giant step forward. We cannot miss this moment.

I hope that we can play a role in nurturing these changes, for as George Washington said, "Liberty, when it begins to take root, is a plant of rapid growth." I look forward to a new phase in our relationship with the people of the Middle East, in which we are bound together, not only by the humanity that ties us all, but by the freedoms that for too long have been the province of too few.

Thank you.