



Testimony

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# Opportunities After Midnight Hammer

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Charting a Path to Middle East Stability and Prosperity

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*Opportunities After Midnight Hammer: Charting a Path to Middle East Stability and Prosperity*

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RAND<sup>2</sup>

Before the Committee on Foreign Relations

Subcommittee on the Near East, South Asia, Central Asia, and Counterterrorism

United States Senate

July 23, 2025

We are in a period of momentous change in the Middle East. The successes of Operation Midnight Hammer and the military activities leading up to it not only set back Iran's nuclear program but also shattered the illusion that Iran is a reliable or capable protector for its proxies. Iran failed to assist Hamas in any meaningful way, with the civilians of Gaza suffering the terrible consequences of the war. In Lebanon, Hezbollah has been weakened, with the Lebanese state working towards reestablishing authority in the country. In Syria, while stability is fragile, a new government is in place. The United States has lifted sanctions to allow Syria a chance at recovery and reintegration into the region and, more broadly, the international community. Iraq, too, stands at a turning point, with the Islamic State in Iraq and Syria (ISIS) defeated five years ago and with upcoming elections that could further challenge Iranian influence and allow the country to chart a more independent path.

The common thread is clear: Iran is no longer able to project disruptive power across the region to the extent it once did. Yet Iran is down, not out.

History has handed us an opening. There is a strategic opportunity to set a new course for the Middle East, helping its people improve their lives, improving global stability, and realigning the war-torn countries of the region toward the United States. But this opportunity cannot be secured

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by military means alone. It requires a new approach grounded in diplomacy, economic facilitation, humanitarian leadership, and strategic investment. In short, the United States has the opportunity to reestablish itself as the partner of choice—the nation that helps people across the Middle East solve their problems and meet their aspirations for normalcy, prosperity, and opportunity. And in so doing, the United States enhances its long-term security and interests.

This means rethinking what constitutes U.S. interests in the Middle East.<sup>3</sup> The Middle East sits at the crossroads of multiple vital U.S. interests; problems that start in the Middle East spread worldwide. Traditional concerns—counterterrorism, energy security, and nuclear nonproliferation—remain important. But the United States also has a broader set of interests: supporting the region in resolving current conflicts and preventing future conflicts. Civilian displacement, governmental collapse, and economic despair are not peripheral issues—they are central to long-term regional stability and global security. To be sure, these are the primary responsibility of the governments in the region. But the United States has enormous power to facilitate these improvements, and it is in its interest to do so.

The United States has repeatedly tried to reduce its military footprint in the Middle East, only to be pulled back in. Every administration since Jimmy Carter has undertaken new military action in the region in response to events that threatened American strategic interests. Such an approach has led to chasing symptoms, not managing underlying problems. We now have a chance to break this cycle.

A bottom-line aspiration would be for the Middle East to be a “normal” region. That means states capable of meeting the positive aspirations of their citizens, maintaining internal security, delivering services, growing economies, and building human capital. Ideally, the Middle East would become a region that no longer emanates threats, but one that contributes to global stability and economic growth.

The United States can seize this moment. This does not imply that the United States must fund all steps but that it exerts leadership and uses its full range of tools of state to help shape a more stable, humane, prosperous, and U.S.-aligned future for the Middle East. Here are five steps that the United States could take.

## 1. Mediate the Ends of Conflicts

The Middle East has been a region of forever wars. There are active conflicts or ongoing instability in Gaza, Syria, Lebanon, Yemen, and Libya. Regional conflicts and aggression strain world order and affect U.S. security. Civil wars and territorial disputes generate transnational terrorism, displacement, and economic disruption. Weak states become battlegrounds for proxy wars, while the collapse of state institutions creates fertile ground for extremism and criminal networks, including the drug trade. These conflicts also damage trade and investment, holding back the region’s economic potential and creating humanitarian crises with global reverberations.

Conflict resolution has long served U.S. interests. Mediation remains a core U.S. strength—and necessity—in managing urgent challenges. By reinvesting in conflict resolution and

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<sup>3</sup> Shelly Culbertson, Howard J. Shatz, and Stephanie Stewart, *Renewing U.S. Security Policy in the Middle East*, RAND Corporation, RR-A904-1, 2022, [https://www.rand.org/pubs/research\\_reports/RR-A904-1.html](https://www.rand.org/pubs/research_reports/RR-A904-1.html).

problem-solving, including helping build the expansion of economic opportunities that such conflict resolution can create, the United States can limit the space for adversaries to operate, reduce refugee flows, and create openings for reconstruction and partnership. The Abraham Accords demonstrated that diplomatic leadership can yield tangible gains in economic integration, regional cooperation, and stability. There is space to end the Israel-Hamas war in Gaza, expand the Abraham Accords, broker a Saudi-Israeli normalization with provisions for the Palestinians, and mediate internal sectoral disagreements in Syria as the United States once did successfully in the Kurdistan Region of Iraq.

## 2. Address Long-Term Humanitarian Crises

Some countries in the Middle East face dire humanitarian conditions from decades of war, displacement, and underinvestment. Nearly five percent of the region's population—more than 24 million people—are forcibly displaced, either inside their countries or outside as refugees.<sup>4</sup>

My research has found that global models for managing refugees are broken, leaving refugees without the ability to live normal lives and host communities overwhelmed.<sup>5</sup> Most refugees are trapped in limbo for decades or generations, with no realistic prospects for return, integration, or resettlement. Educational and employment outcomes are poor.<sup>6</sup> These unresolved displacements contribute to instability, strain host countries, and create an underclass vulnerable to exploitation and radicalization.<sup>7</sup>

New solutions are needed, but they likely will not happen without U.S. leadership. This does not necessarily mean funding, although funding can help. It does mean convening, offering new ideas, coordinating, and ensuring that appropriate reforms come from countries resolving their humanitarian crises. New solutions need to focus on sustainable returns of displaced people to their homes and, for those who do not return, better education and job opportunities.

For example, two-thirds of Syria's prewar population is displaced internally and externally by war, with a third of the country's population living outside Syria as refugees. Neighboring countries have struggled to integrate six million Syrians. The fall of Syria's Assad regime and emergence of a new government has led to an important question: Can Syria's refugees now go home? My assessment is that it will be difficult and likely will not happen without deliberate

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<sup>4</sup> United Nations High Commissioner for Refugees, "Refugee Data Finder: Annexes for Global and Mid-Year Trends," webpage, undated, <https://www.unhcr.org/refugee-statistics/insights/annexes/trends-annexes.html>.

<sup>5</sup> Shelly Culbertson, "Refugees Cannot Live in Limbo Forever," *Foreign Policy*, December 17, 2020.

<sup>6</sup> Shelly Culbertson and Louay Constant, *Education of Syrian Refugee Children: Managing the Crisis in Turkey, Lebanon, and Jordan*, RAND Corporation, RR-859-CMEPP, 2015, [http://www.rand.org/pubs/research\\_reports/RR859.html](http://www.rand.org/pubs/research_reports/RR859.html); Krishna B. Kumar, Shelly Culbertson, Louay Constant, Shanthi Nataraj, Fatih Unlu, Kathryn E. Bouskill, Joy S. Moini, Katherine Costello, Gursel Rafig oglu Aliyev, and Fadia Afashe, *Opportunities for All: Mutually Beneficial Opportunities for Syrians and Host Countries in Middle Eastern Labor Markets*, RAND Corporation, RR-2653-QFFD, 2018, [https://www.rand.org/pubs/research\\_reports/RR2653.html](https://www.rand.org/pubs/research_reports/RR2653.html).

<sup>7</sup> Barbara Sude, David Stebbins, and Sarah Weiland, *Lessening the Risk of Refugee Radicalization: Lessons for the Middle East from Past Crises*, RAND Corporation, PE-166-OSD, December 2015, <https://www.rand.org/pubs/perspectives/PE166.html>.

new approaches to improve conditions in Syria.<sup>8</sup> Syria's education and health care systems, housing stock, and job market have been ruined, and basic services are woefully insufficient for those who are there now—much less for a large influx of returning refugees. And recent sectoral violence in Syria highlights the need for the state to protect all citizens equally, regardless of religion or ethnicity. My studies find that most refugees do not return home.<sup>9</sup> For Syrian refugees to voluntarily return home en masse would depend on a sustained, Syrian-led, internationally coordinated recovery effort in Syria so that both Syria's inhabitants and current refugees would have the basic services and rule of law expected of a functioning state.

### 3. Support Postwar Recovery

To prevent the return of violence, countries emerging from conflict need more than ceasefires—they need visible progress toward recovery. That means infrastructure redevelopment, job creation, social service restoration, and the reestablishment of rule of law. From Gaza and Syria to Iraq and Lebanon, recovery planning and implementation are a security imperative, not just a humanitarian one. Reconstruction efforts would also provide tremendous economic and private sector opportunities.

There is a historic window of opportunity now for U.S. leadership. In Syria, the lifting of some sanctions and growing regional interest in reconstruction open a path forward. But assistance must be linked to reform and planning, ensuring recovery builds state institutions, security for all residents, and broad-based prosperity. Success will require partnerships with allies, regional actors, multilateral institutions, and the private sector. But only U.S. leadership can align these efforts and ensure that recovery contributes to long-term stability. A credible U.S. strategy for postwar recovery is essential to preventing the resurgence of conflict, limiting adversary influence, and building a more stable regional order.

Iraq is a key partner whose citizens have fought with the United States for shared regional interests. Iraq is still recovering from both decades of war and neglect and the more recent war to defeat ISIS.<sup>10</sup> It still is home to displaced people and is rebuilding its major cities, such as Mosul, with progress slow. In my conversations with Iraqi government officials, they welcome U.S. influence as a counterweight to Iran, wanting our civilian engagement, such as university exchange, so that their up-and-coming leaders can be educated with U.S. ideas and skills in U.S. universities. Iraq also can be a model of some positive examples, such as democratic elections,

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<sup>8</sup> Shelly Culbertson and Louay Constant, “After the Assad Regime’s Fall, Will Syrian Refugees Return?” *Los Angeles Times*, February 4, 2025.

<sup>9</sup> Louay Constant, Shelly Culbertson, Jonathan S. Blake, Mary Kate Adgie, and Hardika Dayalani, *In Search of a Durable Solution: Examining the Factors Influencing Postconflict Refugee Returns*, RAND Corporation, RR-A1327-1, 2021, [https://www.rand.org/pubs/research\\_reports/RRA1327-1.html](https://www.rand.org/pubs/research_reports/RRA1327-1.html).

<sup>10</sup> Shelly Culbertson and Linda Robinson, *Making Victory Count After Defeating ISIS: Stabilization Challenges in Mosul and Beyond*, RAND Corporation, RR-2076-RC, 2017, [https://www.rand.org/pubs/research\\_reports/RR2076.html](https://www.rand.org/pubs/research_reports/RR2076.html).

the stability in the Kurdistan Region,<sup>11</sup> economic reform initiatives, and large infrastructure projects. It is in U.S. interests to support the country's momentum toward success.

Gaza's dire recovery needs are at the center of global attention. Some 70 percent of housing is damaged or destroyed, with similar levels of destruction for critical infrastructure.<sup>12</sup> Once there is a peace agreement and a political way forward, helping the civilians of Gaza see a future beyond the rubble—with safety, jobs, education for their children, and homes—will have impacts on more than the lives of Gazans but on the views of the wider Middle East. Likewise, the West Bank has faced decades of infrastructure neglect, needing improved energy, water, and transportation.<sup>13</sup> Its economy and stability are fragile. Moving the West Bank forward is similarly needed.

Lebanon too needs a better future. The United States has invested in security cooperation with the Lebanese armed forces, which are important for ensuring that Hezbollah does not regain the footing it once had in Lebanon's south. But the country struggles with financial instability, the hosting of refugees, corruption, and the fallout from wars and its port explosion. Lebanon has been a cultural and economic hub of the Middle East and could become so again, drawing on its highly educated and entrepreneurial citizens.

These recoveries will not likely happen at pace on their own. War-torn societies need a vision for how their lives could be in a better future, not just fear of the possibility of return to chronic war and destruction. In this regard, the U.S. role should be about catalyzing, not just or necessarily funding. The Marshall Plan helped Europe recover from World War II and cemented the United States' transatlantic alliance and European alignment away from the communist Soviet Union.<sup>14</sup> Its success did not come from funding only but from U.S. leadership enabling the creation of conditions to expand European agriculture and industry; restore currencies and public finances; and foster international trade. Notably, European participants were required to contribute substantial funding as well.

#### 4. Support the Improvement of Governance and Job Opportunities

Chronic governance failures and joblessness—especially among youth—have been central drivers of instability in the Middle East, even among those countries that have not experienced recent wars. These two conditions sparked the Arab Spring, fueled the Arab Spring 2.0 protests

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<sup>11</sup> C. Ross Anthony, Louay Constant, Shelly Culbertson, Peter Glick, Krishna B. Kumar, Robin Meili, Melinda Moore, Howard J. Shatz, and Georges Vernez, *Making an Impact in the Kurdistan Region—Iraq: Summary of Four Studies to Assess the Present and Future Labor Market, Improve Technical Vocational Education and Training, Reform the Health Sector, and Build Data Collection Capacity*, RAND Corporation, RR-873-KRG, 2015, [http://www.rand.org/pubs/research\\_reports/RR873.html](http://www.rand.org/pubs/research_reports/RR873.html).

<sup>12</sup> Shelly Culbertson, Kobi Ruthenberg, Robert Lane, Nitay Lehrer, Mary E. Vaiana, and C. Ross Anthony, *From Camps to Communities: Post Conflict Shelter in Gaza*, RAND Corporation, RR-A3486-2, 2025, [https://www.rand.org/pubs/research\\_reports/RRA3486-2.html](https://www.rand.org/pubs/research_reports/RRA3486-2.html).

<sup>13</sup> Shelly Culbertson, C. Ross Anthony, Kobi Ruthenberg, Robert Lane, and Shireen Shelleh, *A Spatial Vision for Palestine: A Long-Term Plan That Can Begin Now*, RAND Corporation, RR-A3444-1, 2025, [https://www.rand.org/pubs/research\\_reports/RRA3444-1.html](https://www.rand.org/pubs/research_reports/RRA3444-1.html).

<sup>14</sup> Benn Stell, *The Marshall Plan: Dawn of the Cold War*, Simon & Schuster, 2018.

in 2019, and continue to create space for extremist narratives and political unrest.<sup>15</sup> For more than 25 years, the region has had the world's highest youth unemployment rates, while corruption and weak rule of law undermine public trust.<sup>16</sup> The Arab Spring led to the overthrow of four governments and three civil wars, with protests and violence in many others.<sup>17</sup> And the frustrations that sparked the Arab Spring are not only the problems of the countries at war but strain the wider Middle East.

These are not merely domestic problems. Economic stagnation and governance breakdowns generate security risks for the United States and its allies. To protect its interests, the United States could support government effectiveness—not just by promoting democracy in the abstract but by helping governments have the capability to address tangible grievances: jobs, justice, and transparency.

U.S. assistance could target both supply and demand in the labor market. On the supply side, it can support education reform, vocational training, and university exchange. On the demand side, the United States can provide technical assistance for economic reforms, encourage labor-intensive industries, enable the expansion of trade, and help solve barriers to Gulf investment in neighboring states. U.S. allies can help—for example, Germany is particularly effective with its support for vocational education, and the United Arab Emirates could provide technical assistance to help other countries improve their climate for doing business.

Anti-corruption efforts—especially police and justice reform—should be a priority. Here, the United States can partner with countries like Canada and Italy that have experience in institutional capacity-building for policing in the Middle East. Ultimately, helping governments deliver for their people is central to ensuring that frustration does not once again erupt into chaos—and that the United States is seen as a partner in opportunity, not just security.

## 5. Focus U.S. Engagement on Priority Locations

Amid widespread instability in the Middle East, a concentrated push to support a handful of linchpins—Iraq, Syria, the West Bank and Gaza, and Lebanon—offers the best chance of fostering stability and restoring regional confidence in governance, recovery, and partnership with the United States. These places face daunting challenges: political fragmentation, corruption, economic collapse, and the lasting scars of war. Yet each holds strategic importance, and success in even one could serve as a regional model.

The United States should tailor its support to each, combining security assistance with a heavy emphasis on civilian tools—economic reform, infrastructure investment, governance improvements, and justice-sector support—in partnership with like-minded countries. This

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<sup>15</sup> Elena Ianchovichina, *Eruptions of Popular Anger: The Economics of the Arab Spring and Its Aftermath*, International Bank for Reconstruction and Development, The World Bank, 2018.

<sup>16</sup> Nader Kabbani, *Youth Employment in the Middle East and North Africa: Revisiting and Reframing the Challenge*, Brookings Institution, February 26, 2019; International Labor Organization, *Global Employment Trends for Youth 2024: Middle East and North Africa*, 2024.

<sup>17</sup> Shelly Culbertson, *The Fires of Spring: A Post-Arab Spring Journey Through the Turbulent New Middle East—Turkey, Iraq, Qatar, Jordan, Egypt, and Tunisia*, St. Martin's Press, 2016.



includes helping Iraq capitalize on its energy resources, democratic institutions, and recent economic reform push; seizing the post-sanctions window in Syria to assist with reconstruction, job creation, mediating internal conflicts, and refugee return; facilitating an end to the war and rebuilding in Gaza; and supporting Lebanon's efforts to reestablish state authority, manage its refugee population, and reform its financial sector.

A visible, sustained U.S. commitment to helping these countries succeed would not only advance American interests but also offer a powerful counterpoint to the narrative of Middle East dysfunction, restoring hope in the prospect of recovery and opportunity.

The problems in the region should not obscure the successes, positive developments, and opportunities. The United States can build on these. These include Midnight Hammer, the resulting diminished Iranian power and influence, the fall of the Assad regime, the defeat of ISIS, the Abraham Accords, and the positive effects of American military security cooperation efforts. Other positive developments<sup>18</sup> include slowly improving education systems, greater rights for women, the dynamism of the growing youth population, the prosperity and ease of doing business in the Gulf, the widespread use of information technology, improvements in health, a small but growing culture of innovation, the engagement of civil society and youth, and the development of country-level vision documents.<sup>19</sup>

## Looking Forward

The United States has a choice: treat the Middle East as a region of endless quagmires, or help it become a region of opportunity. We need a forward-looking strategy based on pragmatism, partnership, problem-solving, and leadership. Today, that means helping countries recover from war, supporting better governance and job creation, addressing humanitarian and displacement crises, and improving trust in the United States as a strong and reliable partner. The United States has the tools to do this—military capabilities, diplomacy, technical assistance, investment support, and convening power. What is needed now is a strategy that brings these tools together with purpose, to help the region chart a more stable, prosperous future—and to advance U.S. interests along the way.

In closing, I want to leave you with two contrasting visions of the future.

In the first, conflicts in the Middle East continue to fester. Civil wars drag on. People live amid rubble. Economies remain stagnant, unable to generate jobs for their youth. In the absence of leadership, others step in. Iran expands its influence. Russia is the go-to arms provider. China is the preferred partner for infrastructure and trade. Social services erode, and in the void, groups

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<sup>18</sup> Shelly Culbertson, Howard J. Shatz, and Stephanie Stewart, *Renewing U.S. Security Policy in the Middle East*, RAND Corporation, RR-A904-1, 2022, [https://www.rand.org/pubs/research\\_reports/RR-A904-1.html](https://www.rand.org/pubs/research_reports/RR-A904-1.html).

<sup>19</sup> See, for example, Public Investment Fund, "Leadership Vision," webpage, undated, <https://www.pif.gov.sa/en/private-sector-hub/leadership-vision>; Government Communications Office, State of Qatar, "Qatar National Vision 2030: A Roadmap for Transformation," webpage, undated, <https://www.gco.gov.qa/en/state-of-qatar/qatar-national-vision-2030/our-story>; and Ministry of Energy and Minerals, Sultanate of Oman, "Oman Vision 2040," webpage, undated, <https://mem.gov.om/en-us/About-Us/Oman-Vision-2040>.

like ISIS and Hamas reemerge and expand, and refugees flow out of the region. Cycles of violence pull the United States back into the region again and again.

In the second vision, the United States steps forward with strategic leadership—bringing together the parties, deploying the full range of its statecraft, and working in concert with allies and partners. It helps end wars. It supports the region’s governments as they lead their recovery. Cities rise from rubble. Youth find meaningful work. The region grows more stable, more prosperous, and more connected. The United States is a trusted, effective problem-solver—a partner for peace and progress, as well as a military power.

We are at a pivotal moment. We can guide the trajectory of which future unfolds. We have willing partners in the region. We can do a lot to help. While recovery is the region’s responsibility, it is in U.S. security and economic interests to stand with them in fulfilling this second vision.