After the Fire: Shaping the Future U.S. Relationship with Iraq

By John A. Nagl and Brian M. Burton
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AMERICA’S NEW PARADIGM IN IRAQ

“Tell me how this ends.” For the last six years, debates about America’s role in Iraq have focused on answering this pointed request made by then-Major General David Petraeus in 2003. Yet the search for an “end game” emphasizes a short-term objective — getting out of Iraq — and sidesteps the strategic imperative of establishing an enduring relationship with a key country in a region of vital importance to the United States. It is time for America to take the long view. Neither Iraq nor America’s stake in a stable, peaceful, secure Middle East will vanish when the last American combat brigade departs. U.S. policymakers must advance long-term, low-profile engagement that helps to resolve Iraq’s internal challenges, strengthens its government and economic institutions, and integrates it as a constructive partner in the region.

Though Iraq still faces many significant challenges, America’s willingness to try to impose solutions and Iraq’s willingness to accept them has dwindled. This reality demands a new consideration of American objectives and a new approach to achieving them.

After investing heavily in Iraq for six years, the United States needs to draw down its presence to address other pressing challenges, most notably the war in Afghanistan. Even though support for Iraq and support for Afghanistan are not mutually exclusive, U.S. attention and resources are shifting from the former to the latter. Admiral Mike Mullen, Chairman of the Joint Chiefs of Staff, unequivocally stated this shift at a May 2009 news conference: “The main effort in our strategic focus from a military perspective must now shift to Afghanistan.” America lacks the resources to sustain a permanent large-scale presence to provide for Iraq’s internal security while simultaneously increasing its commitment to Afghanistan. American ground forces have been greatly strained by repeated deployments to Iraq, and the combination of maintaining that military presence and trying to rebuild Iraq’s infrastructure has been costly.

Additionally, the lack of U.S. public support for resource-intensive nation-building projects imposes serious constraints on the U.S. commitment to Iraq, particularly in a time of economic distress. The American people are much more concerned about the state of America than the state of Iraq. For citizens worried about providing for their own families, appeals to reconstruct foreign countries in the name of abstract strategic interests ring hollow. President Barack Obama reflected the U.S. political climate when he asserted: “We cannot police Iraq’s streets until they are completely safe, nor stay until Iraq’s union is perfected. We cannot sustain indefinitely a commitment that has put a strain on our military, and will cost the American people nearly a trillion dollars. America’s men and women in uniform have fought block by block, province by province, year after year, to give the Iraqis this chance to choose a better future. Now, we must ask the Iraqi people to seize it.”

The politics of Iraq reinforce America’s strategic and political need to play a supporting, rather than leading, role. The U.S. military’s freedom of action in Iraq is now proscribed under the Status of Forces Agreement (SOFA), which stipulates that all operations be carried out only with the permission of and in coordination with the Iraqi government; that American troops leave Iraqi population centers for consolidated bases by the end of June 2009; and that all U.S. forces withdraw from Iraq by December 2011. The agreement reflects the clear Iraqi desire to reduce America’s role in their country. Iraqis tellingly refer to the SOFA as the “Withdrawal Agreement.” A cross-country poll
conducted in February 2009 by international news services found that 81 percent of Iraqis want U.S. forces to depart no later than 2011, with a plurality of 46 percent preferring that U.S. troops “leave sooner.”

These constraints demand a transformation of the U.S.-Iraqi relationship. The United States must continue to protect its interests in Iraq even as its presence declines. Ongoing Iraqi power struggles, fragile political institutions, and economic weakness will present persistent challenges and can undermine U.S. objectives if they are not managed successfully. While shaping this new relationship will be difficult, neglecting it will have serious consequences for U.S. national security. America must seize the opportunity to establish a lasting partnership with Iraq that enhances security and stability in the region.

**American Interests in Iraq**

The United States has enduring interests in preserving regional stability in the Middle East, countering transnational terrorism, and advancing responsible governance. These objectives are advanced by a stable Iraq that can serve as a constructive partner. An Iraq without the capacity to govern effectively and mechanisms to resolve internal conflicts peacefully would be a destabilizing presence that would harm U.S. interests in the Middle East.

**Preserving Regional Stability and Security**

Conflict in the Persian Gulf, whether within or between states, disrupts normal access to the region’s energy resources and threatens the functioning of the global economy, with potentially devastating consequences for the economic well-being of the United States and its allies. The Middle East contains an estimated 61 percent of global oil reserves. With an estimated 115 billion barrels, Iraq alone holds 9.3 percent of global oil reserves — only Saudi Arabia and Iran control more. Thus, the primary objective and guiding principle of U.S. Middle East policy must be to keep the region politically stable and secure in order to protect American allies in the region and avoid sudden disruptions in the supply of energy resources.

To prevent major conflict and reduce insecurity, the United States must preserve its long-standing security partnerships with key states in the region, including Egypt, Israel, Jordan, Kuwait, and Saudi Arabia. These delicate partnerships require substantial U.S. attention, but provide critical points of leverage for the United States to secure its interests when they are challenged and forestall the spread of conflict without direct intervention on the ground.

The United States must also address attempts by Iran to change the strategic balance in the Middle East. Key U.S. allies repeatedly voice fears that Iran now exercises undue influence over Iraqi affairs, and express alarm over its presumed nuclear weapons program and support for Arab Islamist militant groups like Hezbollah and Hamas. King Abdullah II of Jordan warned in 2004 of a “crescent” of Iranian influence spreading through Iraq to Lebanon, while Saudi Arabian Foreign Minister Saud al-Faisal asserted in 2005 that U.S. policy was “handing [Iraq] over to Iran without reason.” The toppling of Saddam Hussein and the emergence of a Shiite-majority government in Iraq removed a strategic check on Iran. Though religious affinity...
and a shared border make substantial Iranian influence in Iraq inevitable, the United States should aim to limit Iran’s control of Iraqi political affairs and its efforts to use Iraq as a platform to extend its regional influence, dominate additional oil resources, and threaten U.S. allies. While the Shiite-majority Iraqi government may not offer the same counterweight against Iran as Saddam Hussein’s government, it need not be a puppet of Tehran. Historic rivalries between Iraq and Iran and Arabs and Persians suggest that Iraq will resist Iranian control of its affairs. The United States can help bolster that resistance by helping to develop Iraq’s ties with other regional powers like Turkey and Saudi Arabia to balance, but not replace, the powerful influence of Iran.

Finally, the United States must mitigate the consequences of violent internal conflict within Middle Eastern states. Civil strife and communal violence have the potential to spill over into neighboring states or provoke those states to intervene, overtly or by proxy, in order to manipulate internal political dynamics to their own advantage. Both spillovers and interventions have the potential to escalate one country’s internal strife into a wider war that engages multiple countries and destabilizes the entire region. A failed-state scenario in Iraq, which nearly occurred in 2006, would risk spillover and interventions involving Iraq’s neighbors, including key U.S. partners like Saudi Arabia and Turkey, and threaten the security of Iraq’s strategic resources. In a renewed Iraqi civil war, Iran would also be tempted to assert its power more forcefully, either through its militia proxies or perhaps directly, and attempt to advance its objectives by attacking U.S. allies in the region. Proactive U.S. coordination and support for allies and international organizations will be necessary to prevent or respond to regional crises. The United States must also commit to improving stability by helping Iraqis resolve their internal disputes, supporting efforts to develop governance and economic capacity, and engaging diplomatically with key international development organizations and potential regional adversaries.

COUNTERING TRANSCONTINENTAL TERRORISM

The primary American counterterrorism objective in Iraq is to prevent the reemergence of al Qaeda or its affiliates and keep the country from serving as a safe haven that could be used to attack Americans or U.S. allies. The principal front in the campaign against al Qaeda is the Afghanistan-Pakistan theater, where the Obama administration has substantially increased attention and resources. However, it is important to remember that until recently Iraq was a focus of extremist attacks led by the al Qaeda in Iraq (AQI) organization, which played a major role in provoking sectarian conflict. The resulting chaos prompted fears that parts of the country would be controlled by AQI and become safe havens for al Qaeda to launch transnational attacks.

Over the past two years, the likelihood of that scenario has declined dramatically. AQI, rejected by former insurgents and driven from nearly all of its former strongholds, is near defeat. While continuing terrorist bombing campaigns attempt to reignite Sunni-Shiite violence, the strategic significance of the attacks is negligible as long as the lack of Shiite retaliation prevents AQI from reasserting a claim to be the protector of the Sunni community. Thus far, Sunnis and Shiites have recognized AQI’s strategy and resisted falling back into a cycle of sectarian reprisals. However, as long as the country’s internal conflicts, including the disputes between Arabs and Kurds, remain unresolved al Qaeda and other extremist groups have an opportunity to foment disorder and reestablish a base from which to launch destabilizing attacks on surrounding countries. The United States should pursue its interest in defeating al Qaeda by continuing direct actions against AQI and efforts to promote political reconciliation.
among Iraq’s communities. U.S. policy should also strengthen the counterterrorism capabilities of the Iraqi government and security forces in order to ensure that they can prevent transnational terrorist groups from gaining a foothold in their territory.

**PROMOTING RESPONSIBLE GOVERNANCE**

The United States has an interest in supporting governance structures that facilitate the peaceful and consensual resolution of political conflicts. Authoritarian leaders may protect regional stability for the time being, but they do not necessarily offer a sustainable basis for political stability and peaceful long-term U.S. relationships with countries of the Middle East. Restricted political opportunities for millions of people throughout the region result in the use of extremist politics and violence as a means of expressing opposition to government policy. American interests in regional stability and countering terrorism are better served if popular discontent over repression can be expressed democratically, rather than bottled up until it explodes into revolutions or violence that targets the United States as a supporter of oppressive regimes.

Consolidating democratic governance in Iraq is the best way to promote the country’s long-term stability. Iraqi Prime Minister Nouri al-Maliki’s perceived efforts to centralize state power under his command are a source of concern to some groups within Iraq, particularly Kurds and former Sunni insurgents, and could provoke resistance and renewed conflict. The problem, however, is not necessarily al-Maliki himself, but the fact that Iraq’s troubled history and weak institutions make the reemergence of authoritarianism a distinct possibility, whether by a power-centralizing prime minister or coup d’état. A dictatorship is likely to be unstable in the long run, with few safeguards for peaceful resolution of political disputes or orderly transfers of power. If only one man holds the country together, governing institutions are likely to remain weak under personalized control and battles over succession are as likely to be fought in the streets as in elections. Ultimately, authoritarianism in Iraq may seem to support American interests in the short term, but will harm prospects for long-term stability.

While U.S. efforts alone will not be sufficient to turn Iraq into a stable representative democracy, consigning the country to authoritarianism can only be regarded as a poor outcome. In order to avoid it, U.S. leaders should combine strong and public rhetorical commitments to Iraqi democracy with institutional capacity-building programs in Iraqi ministries and local governments that improve transparency and reduce corruption.

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CHALLENGES TO IRAQI STABILITY

The United States must help ensure that Iraqi factions cement the progress that has been made and settle their outstanding internal disputes through negotiated processes rather than violence. The potential for unraveling is real: the February 2006 bombing of the Shiite al-Askariya shrine in Samarra sparked a spiral of reprisals and counter-reprisals by extremist Shiite and Sunni factions that overwhelmed U.S. efforts to transition responsibility to Iraqi forces. The lesson from that event is not simply that more security is needed to stop major attacks, but that steps must be taken to defuse the competition and mutual distrust that exists between Iraq’s sectarian and ethnic communities. As General David Petraeus pointed out in his September 2007 testimony before Congress:

“The fundamental source of the conflict in Iraq is competition among ethnic and sectarian communities for power and resources. This competition will take place, and its resolution is key to producing long-term stability in the new Iraq. The question is whether the competition takes place more — or less — violently.”

These challenges to Iraqi stability will not be solved immediately or by the United States alone. In some respects they will never be “solved.” Even developed democracies feature intense clashes between competing identity groups over the balance of power in government. What allows democracies to function, and what the United States should help the Iraqis develop, is a basic commitment to work through peaceful processes rather than violence. The United States will not necessarily lead these processes, but should support Iraqi and international organizations committed to propagating this norm and building the requisite institutions.

The Kurdish-Arab Conflict in Northern Iraq

While the Shiite-Sunni sectarian split draws more attention from U.S. observers, the conflict between Arabs and Kurds in the north is now the more dangerous and defining challenge for the new Iraqi state. The conflict is driven by boundary disputes between the Kurdish Regional Government (KRG) and the primarily Sunni Arab provinces of Nineveh, Ta’mim, and Diyala. Kurdish leadership regards parts of these provinces, especially the city of Kirkuk in Ta’mim, as territory that it has earned after enduring Saddam Hussein’s brutal program of ethnic cleansing and Arab settlement. Many Arab leaders conversely contend that the Kurds have exploited the post-invasion disorder to encroach on Arab lands by sending their peshmerga militiamen to occupy areas in the name of providing security. Tensions are high, with standoffs between Iraqi security forces and the Kurdish peshmerga coming perilously close to violence. This conflict helps to sustain the remnants of AQI and other insurgent factions. The predominantly Sunni Arab population of northern Iraq generally supported the insurgency after the American invasion. The fear of Kurdish expansion drives the Sunni Arabs in these areas to continue supporting militant groups as allies. The most recent elections have reasserted Arab political strength in northern Iraq in the form of hard-line

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parties whose members have ties to extremist elements in Nineveh and Diyala. Insurgent violence may increase as extremists attempt to spark a broader Arab-Kurdish conflict that they could exploit to further reassert their own influence in Iraq. The conflict has intensified over oil rights in the KRG and the presence of oil in the disputed territories — particularly around Kirkuk, the location of a “super-giant” oil field that could hold up to 13 percent (15 billion out of 115 billion barrels) of Iraq’s oil reserves. The KRG has aggressively promoted its own economic development, signing independent deals with foreign oil companies. Baghdad is uneasy about allowing the KRG to exercise more control over oil, generally refusing to recognize the KRG’s unilateral oil contracts. Kurdish leaders have already committed to revenue sharing under the constitution, but the Iraqi government fears that the KRG will seek to use oil development in disputed territories to “prejudge their ultimate disposition.” Though the Iraqi Oil Ministry has agreed to allow some Kurdish exports, oil is likely to remain a key sticking point in resolving the status of the disputed territories and relations between Baghdad and the KRG.

Striking bargains that address the disputed territories, fairly distribute oil revenue, and keep the KRG enmeshed within the Iraqi state will be critical to preventing violent conflict between the Kurds and the Iraqi state. The United States must support peaceful efforts to reconcile Arab-Kurdish differences and discourage both Baghdad and the KRG from continuing to employ belligerent, absolutist rhetoric that aggravates the situation and contributes to mutual distrust. It must also proactively support and empower a UN-led consensus-based negotiation process. The United Nations Mission in Iraq (UNAMI) recently issued a report to the Iraqi government and KRG to provide a neutral history of Kurdish and Arab claims to the disputed territories and list possible options for resolving competing claims, including semiautonomous status for Kirkuk. American policymakers cannot impose decisions on Baghdad or the Kurds, but should ensure that the central government and KRG are engaged in a negotiating process with the UNAMI report’s findings as a starting point. So long as there is a process underway, the likelihood of violent incidents causing the situation to spiral out of control is reduced. Additionally, the recent Iraqi agreement to allow limited Kurdish oil exports offers a possible starting point for negotiating a federal hydrocarbons law that ultimately removes control of oil as a point of conflict.

The Shiite-Sunni Divide

The danger posed by conflict between Shiites and Sunnis has decreased relative to the disputes between Arabs and Kurds. Encouragingly, provocative actions like AQI bombings of Shiite targets and the government’s arrest of “Awakening” (Sahwa) and Sons of Iraq (SOI) leaders — former insurgents whose decision to turn against AQI marked an important turning point in the war — have not reignited a cycle of retaliation. Yet the possibility that destabilizing violence will resume cannot be dismissed. Nouri al-Maliki’s government still regards some elements of the Sahwa and SOI as a potential threat, accusing them of harboring members of the Baath Party and AQI. For their part, many Sahwa and SOI leaders, along with many Sunnis, distrust the Baghdad government and the official security forces, believing them to be sympathetic to radical sectarian Shiite militias like Moqtada al-Sadr’s Mahdi Army or under the control of Iran. For Iraq to put this sectarian conflict firmly in the past, it must continue to work towards national reconciliation.

The Iraqi government assumed responsibility for the Sahwa and SOI, a process that has gone relatively smoothly. While the government has arrested many Sahwa and SOI leaders on what appear to be politically motivated charges, some segments of the SOI reportedly have gone unpaid,
and relatively few (approximately 5,000 men) have received government jobs. However, this slow progress is attributed increasingly to limited funds and institutional capacity rather than a nefarious sectarian agenda on the part of Baghdad. As Multinational Force-Iraq Commander General Raymond Odierno recently reported, “the [Iraqi] leadership has shown its determination to move the SOI members into the Iraqi security forces and other ministries” by ensuring that the SOI integration program remains fully funded despite the country’s economic difficulties. Moreover, even if disgruntled Sahwa and SOI elements seek to revive the insurgency, the dynamic in which they once thrived has changed. As journalist Nir Rosen points out:

As guerrillas and insurgents they were only effective when they operated covertly, underground, blending in among a Sunni population that has now mostly been dispersed. Now the former resistance fighters-turned-paid guards are publicly known, and their names, addresses and biometric data are in the hands of American and Iraqi forces … The remaining Awakening men have burnt their bridges with their more radical former allies and are now hunted by them; the Iraqi Security Forces have improved their intelligence and strike capability and have little problem tracking those men they want to arrest. Sunni civilians have no interest in backing a new insurgency after their own bitter experience — and they no longer feel targeted by Shiite militias.35

In this environment, even fighters backed by foreign countries like Iran or Syria would not be strategically significant. Foreign-supported insurgents and militias in Iraq must rely in some part on popular acquiescence to support their presence. Neither Sunni nor Shiite populations are likely to provide it.

While the prospects for a return to the open sectarian war of 2006 appear to be declining, the potential for sectarian violence to destabilize Iraq will persist unless further integration of Sunnis into the political system takes root. Regular elections conducted fairly and free of intimidation will be critical to the reconciliation process. The provincial elections of January 2009 were an encouraging first step toward reversing the political imbalances created by the Sunni boycott of the 2005 elections, with previously disfranchised groups playing a role in the provincial government. As a key Sahwa leader told the Los Angeles Times, “The Awakening is an economic and political entity now, and our strategy is financial and economic.”37 While elections alone are not a panacea, they demonstrate that political gains can be won through non-violent means. Facilitating the next round of national elections scheduled for early 2010 will be a crucial next step.

Substantial pitfalls remain. America’s efforts to moderate Prime Minister al-Maliki’s opposition to rehabilitating figures who served in Saddam’s
Baath Party have met with little success, along with its push for progress on top-down reconciliation between Shiites and Sunnis. Distrust engendered by still-fresh memories of repression and violence will not vanish anytime soon. However, U.S. diplomats should continue to support reconciliation enshrined in Iraqi law in order to diminish sectarian conflict until it no longer threatens the country’s stability.

**The Strongman Factor**

With a fractious polity, weak institutions for democratic governance, and a recent history of totalitarian regimes, Iraq is at risk of a return to authoritarianism. Prime Minister Nouri al-Maliki’s centralization of control over important state functions, most notably the security forces, raises concerns that he intends to be Iraq’s next strongman. He has employed a “divide and conquer” strategy against his rivals, including leaders of the Sahwa and SOI, rewarding some who cooperate with political patronage while arresting those who would challenge him.

Maliki’s actual desire and ability to accrue dictatorial power are less clear. Much of his power and influence was achieved legitimately. The ongoing centralization of power under his leadership is largely a reassertion of national government discipline that has been lacking since 2003. Maliki’s power is at least partly checked by leaders in the parliament, ministries, and military. He faces substantial opposition in the Council of Representatives, which recently appointed a critic of al-Maliki as its speaker.

Yet even if al-Maliki’s consolidation of power is less pervasive than some fear, the trend of creeping authoritarianism may exacerbate more problems than it solves, despite any benefits for security and order. As al-Maliki builds his credentials as an Iraqi Arab nationalist, the KRG increasingly fears a strong central government in Baghdad. His appeals to nationalism may attract Shiite and Sunni Arab support, but they raise tensions in northern Iraq and increase the likelihood that the Kurds will resort to violence to resist perceived encroachment on their territory and interests.

U.S. engagement with Iraq should aim to impede and discourage the reestablishment of authoritarian rule by helping the Iraqis develop stronger institutions for responsible, representative governance. Even if the dangers of authoritarianism in Iraq are overblown, any strong central government in Baghdad is likely to face some resistance from parties fearing a decline in their independence. Engaging with Iraqi institutions and opposition parties rather than just the man in charge will communicate a U.S. commitment to Iraqi democracy and moderate the perception among opposition factions that they must prepare to defend their interests by force.

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The Economic Factor

Iraq’s economy will affect its ability to meet many current or future challenges. Unfortunately, the current economic crisis and the resulting collapse of global oil prices have impaired the government’s ability to fund essential services, modernize security forces, integrate the SOI, and reach revenue-sharing agreements crucial to cementing political stability. Over 90 percent of Iraqi revenue comes from oil. The drop in oil prices reduced Iraq’s 2009 budget from a projected $80 billion to an actual $59 billion. This year, Iraq is expected to run a budget deficit of approximately $15 billion. The Iraqi government has been forced to cut funding for reconstruction projects by about $6 billion, which decreases employment opportunities for Iraqis, including former insurgents, and reduces the resources available to incentivize power sharing and cooperation among competing factions.

Though oil will remain the primary source of revenue for the foreseeable future, the United States should place a high priority on helping Iraq develop alternative sources of wealth and employment. Investing in Iraq’s human potential is imperative. Even in the best of times, oil wealth and the public sector are insufficient to address the country’s unemployment problems and the attendant risk of jobless young men who seek fulfillment in extremist religious or political movements. Iraqis ultimately need more (and more varied) economic opportunities, as well as the education and skills training necessary to participate in the global economy.
SHAPING A FUTURE U.S.-IRAQI PARTNERSHIP: THE REGIONAL PERSPECTIVE

As the United States prepares to withdraw military forces and decrease its involvement in Iraq, American policymakers must consider how the new Iraq fits into broader U.S. strategy for the Middle East and the Persian Gulf. What happens in Iraq will influence key U.S. objectives in the region, most notably the preservation of security that enables continued global access to Middle Eastern energy resources and the containment of revisionist influences from Iran. To bolster regional security while balancing against Iran’s increasing power, the United States should cultivate Iraq as a long-term ally while developing strong bilateral and multilateral security and economic ties between Iraq, Turkey, and the states of the Gulf Cooperation Council (GCC).

The United States cannot force this outcome. Iraq is a sovereign country where direct American influence is declining. Neighboring states, most notably Saudi Arabia, Turkey, and Iran, have their own interests in Iraq and have derived their own lessons that will inform how they interact with Iraq in the future. American policymakers cannot expect full cooperation from any of these countries, but a commitment to sustained diplomacy can help all parties bridge the “trust deficit” and recognize the convergence of strategic interests.

Balancing Iran

Iran’s rise is one of the central strategic issues in the Middle East, with direct implications for America’s relationship with Iraq. As a Congressional Research Service report acknowledges, “the [Saddam Hussein] regime’s fall and the subsequent dismantling of Iraq’s armed forces removed a potential military threat to the Arab Gulf states but also eliminated a key strategic counterpart to Iran.” The empowerment of Iraq’s Shiite majority is widely seen as tilting the regional balance of power towards Iran. Increased arms purchases by the Gulf states reflect fears of this shift and questions over America’s reliability as a guarantor of regional security.

While Iran does exert new influence throughout the Middle East, the prospects for Iranian hegemony over Iraq may be less significant than feared. Iraq and Iran are neighbors with enduring political, economic, and religious ties. Iraq’s annual trade with Iran now reaches $4 billion, including food and manufactured goods, making it Iraq’s second-largest trading partner after Turkey, and millions of Iranian pilgrims travel to Iraq each year to visit Shiite shrines. Many of the Shiite Islamist parties that have been prominent in Iraqi politics over the past several years, including Prime Minister Nouri al-Maliki’s Islamic Dawa Party and the Islamic Supreme Council of Iraq (ISCI), have strong historic links to Iran. Prime Minister al-Maliki has visited Iran four times while in office for political and economic negotiations.

Despite al-Maliki’s Dawa Party links to Iran, he and other politicians have found increasing political success by acting on a nationalist platform emphasizing security and a strong central Iraqi state. At the same time, the latest round of elections dealt a major blow to the political factions most closely associated with Iran, particularly ISCI. Iraqi Shiite Arabs and their political representatives do not uncritically embrace Iran’s influence; they have demonstrated dissatisfaction with Iranian actions perceived to undermine Iraqi stability. A February 2009 poll found that 68 percent of Iraqis, including 49 percent of Shiites, view Iran’s role in Iraq negatively. Iran will continue to exert a strong pull on Iraq, but Iraq is unlikely to become a full-fledged Iranian proxy.

Nevertheless, addressing the negative aspects of Iran’s influence in the region, particularly its covert actions and use of militant groups as proxies, is a primary concern of pivotal U.S. partners such as
Saudi Arabia, Jordan, the Gulf states, Egypt, and Israel.\textsuperscript{53} Iraq should be part of this equation for the United States and its allies. American diplomatic efforts in the region should coordinate improved strategic ties between Iraq and the rest of the Arab world. Strengthening these bonds will ensure that Iran is never the only regional player with the ear of Iraq’s leaders.

The extent of Iranian influence in Iraq stems partly from the failure of some of Iraq’s Arab neighbors, particularly Saudi Arabia, to engage with Iraq. Driven by mistrust of the Shiite-majority government in Baghdad, Saudi Arabia has neither opened an embassy in Iraq nor sought to engage Iraq on serious strategic issues, such as a relationship with the GCC. As Iraqi Foreign Minister Hoshyar Zebari remarked to the \textit{New York Times}, “We are saying to them [the Saudis] … ‘Why do you complain about expanding [Iranian] influence? They are here and you are not.’”\textsuperscript{54} The United States has already tried to encourage such a rapprochement. Secretary of Defense Robert Gates told a Gulf audience in December 2008:

By welcoming the new Iraq into the Arab fold, your [interests] and Iraq’s interests are aligned on a number of levels: in the fight against al Qaeda and terrorism, in the desire to develop a vibrant and resilient economy, in efforts to bridge the sectarian divides in this part of the world, and in the necessity to limit Iranian influence and meddling, nationally and regionally, meddling that has already cost far too many lives. For other Arabs to withhold support and friendship because of the composition of Iraq’s government or because of past aggressions by a defunct government would be to increase the risk of the very outcome many in the region fear, just when Iraq is determining its future path at home and with its neighbors. Iraq wants to be your partner and, given the challenges in the Gulf and the reality of Iran, you should wish to be theirs.\textsuperscript{55}

Given historic concerns about Iraqi and Iranian aggression, gaining broader Arab — especially Saudi — recognition of Iraq necessitates a gradual approach facilitated by low-level coordinating dialogues and the promotion of Track Two contacts between economic and cultural leaders.

\begin{quote}
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The United States can also facilitate military-to-military ties between Iraqi and other regional armed forces by organizing joint exercises and conferences. The goal is to thicken Iraq’s links to the rest of the region, developing broader constituencies both inside and outside of the country for restoring full diplomatic relations. This approach requires patience, but over time it may pay off in the form of tighter coordination and strategic reconciliation between Iraq and America’s other Middle East allies.
Toward Regional Security and Stability

Iraq holds the potential to be a valuable ally for the broader U.S. agenda of preserving security and stability in the Middle East and Persian Gulf. Though Iraq is a sovereign state, the United States has an opportunity to help shape its foreign policy and the manner in which it is implemented.

International counterterrorism, for example, can be a key issue of convergence between the United States and Iraq, and allow Baghdad to demonstrate that it can be a responsible regional stakeholder. Terrorism threatens Iraqi security in two key ways: in the form of attacks within Iraq and the “blowback” caused when terrorists use it as a base to launch attacks elsewhere. The latter issue is particularly significant in determining Iraq’s relations with its northern neighbor, Turkey. The Kurdistan Workers Party (PKK), a militant group that targets Turkey, has sought haven in the remote regions of northern Iraq and provoked limited Turkish military responses into Iraq. Turkish economic cooperation with Iraq is already strong, but a 2007 Memorandum of Understanding on combating cross-border terrorism between the two countries has never been implemented due to opposition from some Iraqi Kurdish leaders. Additionally, the Mojahedin-e Khalq Organization (MKO) threatens Iranian security, while Saudi Arabia, Jordan, and other states worry about the “bleed out” of militants who traveled to Iraq to wage jihad and are now moving on to target them. The United States can play an important role in mediating between Iraqi factions to reach a common position on identifying terrorist groups and by helping Iraq develop the necessary mechanisms for routine counterterrorism cooperation with other states, including law enforcement liaisons and intelligence sharing.

Iraq can foster similar links with its other neighbors. Negotiations to address salient issues with different countries, such as refugee relief with Jordan or border security with Saudi Arabia and Kuwait, can develop into broader cooperation and relationships that support regional stability.

These links will not necessarily result in formalized agreements or treaties, let alone a new security architecture for the Middle East and Persian Gulf, as some have suggested. Helping Iraq integrate into the region politically, economically, and strategically will require a series of diplomatic “baby steps,” and there will be frustrating setbacks along the way. But, as Richard Haass noted, “There is a fundamental difference between a Middle East lacking formal peace agreements and one defined by terrorism, interstate conflict, and civil war.” Short- and intermediate-term patience can pay off substantially in developing a long-term relationship with Iraq, thereby shaping a regional order that reduces insecurity in the Middle East.
BEYOND THE TRANSITION: A LONG VIEW OF U.S. ASSISTANCE TO IRAQ

American interests in regional stability and security, counterterrorism, and the advancement of democratic governance require Iraq to stand on its own as an effective partner without relying on costly American intervention. Achieving this objective will require a concerted effort to support Iraq’s developing institutions and economy. The United States and Iraq have signed a Strategic Framework Agreement that recognizes Baghdad’s continued need for assistance, particularly in the fields of security, democratic governance, and economic development. Yet effectively providing the necessary support that strengthens Iraq will be a challenge, particularly in the context of the declining U.S. presence and the lack of American public support for committing more resources to Iraq. These conditions mandate a long-term, low-profile engagement with Iraq, supported by well-targeted and persistent aid. The best way to ensure that Iraq can secure itself, govern itself in a reasonably fair manner, and support a viable economy is to promote effective, transparent institutional processes and professional cultures that reward merit.

Rethinking the Emphasis on Security Force Assistance

Preserving security and stability in Iraq and the broader region requires capable Iraqi security forces. Assisting Iraqi security forces has been a point of emphasis for years. Yet for much of that time, the U.S. military largely focused on a transition strategy that required getting as many men under arms as quickly as possible, an approach that deemphasized the need for quality leadership in the forces and the importance of developing the Iraqi military and police as viable institutions. While continued technical assistance — including the development of logistical infrastructure and air and naval capabilities — for the Iraqi security forces is important, long-term U.S. security force assistance should prioritize professionalizing the Iraqi military and police through institutional and leader development programs.

Much of the discussion on Iraqi security force assistance has centered on the structure of the U.S. military advisory mission in the field. American military advisors, in addition to training and serving as professional role models, enhance the capabilities of the Iraqi forces in critical ways, by providing links to American intelligence, surveillance, and reconnaissance assets and air power for combat or medical evacuation. They also provide crucial technical assistance in key areas like logistics. The economic downturn has hindered the Iraqis’ current efforts to fully modernize their forces and develop supporting capabilities, making continued U.S. assistance even more crucial. This is particularly true in more technical arenas such as the development of the air and naval forces necessary to defend Iraq’s territory and Persian Gulf oil infrastructure. Developing such capabilities always required some level of American support beyond the SOFA deadline, but now the United States may need to provide continued air and naval protection for an extended period beyond 2011.

Existing transition teams embedded within Iraqi units rely on the larger American combat units for security and support. As U.S. forces redeploy, the advisory effort must become more capable of independent action. The emerging solution appears to be Advisory and Assistance Brigades (AABs), which will consist of a smaller brigade with attached transition teams and additional advisor personnel. The AABs will enable a unit-partnering capability, while housing advisory teams to embed with Iraqi forces. Currently, the transitional force is intended to bridge the gap between President Obama’s combat mission end date of August 2010 and the SOFA withdrawal deadline at the end of 2011. American policymakers should also prepare for the contingency that the Iraqis request longer-term advisory support. A smaller assistance force that remains beyond 2011 could...
be necessary to help the Iraqis develop the skills and capabilities their security forces require.

Inevitably, Americans will be able to monitor fewer Iraqi units in the field as overall U.S. troop strength declines, raising concerns that Iraqi forces will lapse into corruption, sectarianism, and heavy-handed methods. The overall weakness of the Iraqi security forces and their lack of uniform commitment exacerbate problems like absenteeism and neglect of key tasks, as well as infiltration by militiamen and insurgents. Additionally, institutional weakness enables corruption and personal control of elements of the force by political leaders.

A recent Congressional Research Service study cited observations that the Prime Minister’s “Office of the Commander in Chief” has “steered” appointments of military officers based on political and sectarian affiliations.

How Iraqi units in the field behave will be guided largely by the quality of their senior leaders and the culture of their institutions. To mitigate the problems associated with a declining U.S. presence, American advisors should pay special attention to cultivating rising Iraqi senior officers and encourage them to institutionalize responsible professional processes in the Iraqi military and police forces.

Stabilizing Iraq over the long run requires developing Iraqi military and police leaders, from field grade to general officer rank, who see the mission of their respective services as protecting all Iraqis rather than one party, sect, or tribe. For example, working with the Iraqi military leadership to develop and enforce clear guidelines for promotion based on merit can help allay the detrimental effects of cronyism and undue political influence on the force.

Developing responsible leadership and professional organizational cultures within the Iraqi security forces will be aided if the United States selects more experienced and culturally aware American officers to serve as advisors. Even after the transition period of August 2010 – December 2011, a robust Military Assistance and Advisory Group tailored to include Foreign Area Officers as well as personnel with relevant organizational and technical skills will be a critical component of the U.S. Embassy staff in Baghdad.

In concert with its allies, the United States should establish more robust officer education and exchange programs and bring more Iraqis to train and study at U.S. military or police facilities and schools. According to a March 2009 Defense Department report to Congress, the United States and NATO currently support Iraqi “Basic Officer Leader Courses, Captain Career Courses, War Colleges, periodic seminars at the National Defense University, and the Marshall Center General Officer Development Courses, and the Civil Emergency Response Courses,” but such programs have been relatively limited. By expanding support for officer exchanges, the United States will be able to expose the next generation of Iraqi leaders to democratic cultures and institutions.
Rather than seeing the advisory mission as a temporary task that will be phased out over time, the United States should recognize the long-term benefits of sustained engagement with the Iraqi security forces. While these efforts will not necessarily yield immediate results, establishing a long-term tradition of partnership between American and Iraqi military and police services will build bonds of trust and promote responsible Iraqi forces able to contribute to the preservation of stability.

**Developing Capacity for Good Governance**

Developing effective political institutions is just as important as building Iraqi security forces. This objective is best accomplished through a combination of short-term capacity building, focused on helping Iraqi ministries and local governments provide required services, and long-term institutional development, focused on fostering effective and transparent organizational processes and professional cultures.

To date, the improved security situation in Iraq has not evenly translated into better governance or access to essential services. As of March 2009, only 18 percent of Iraqis were satisfied with their access to electricity, only 32 percent were satisfied with the availability of safe drinking water, and only 26 percent were satisfied with available health services — all reductions from the levels of satisfaction in November 2007. Iraq’s local governments struggle to provide these services amid considerable political and economic dysfunction. The Government Accountability Office reported: Iraq’s government faces several challenges in building its capacity to govern. Its ministries have significant shortages of personnel who can formulate budgets, procure goods and services, and perform other vital ministry tasks. U.S. mission assessments have noted the Iraqi government’s limited capacity to provide services to the Iraqi people due to weak technical expertise, limitations in managers’ skills, and an inability to identify and articulate strategic priorities, among other factors. Also, despite measures to strengthen the Inspectors General and other Iraqi anti-corruption entities, corruption is pervasive in the ministries.

Even within the security apparatus, a “lack of capacity to train civilian management, a shortage of training staff, deterioration of some facilities, and an inability to fill many positions with trained personnel” hinder the development of the Ministry of Defense and Ministry of Interior.

Provincial Reconstruction Teams (PRTs) in Iraq have long since shifted from “the ‘bricks and mortar’ business” to focus on provincial and local capacity building. They work with provincial governments and provincial branches of central government ministries to help execute budgets, coordinate service and infrastructure projects according to a “Provincial Development Strategy,” and liaise between the provincial and central governments. The United States operates 11 PRTs aiding provincial governments, 13 embedded PRTs operating with U.S. combat brigades and supporting local governments, and four smaller Provincial Support Teams. The teams range from 10 – 45 members each, consisting mostly of State Department, Defense Department (including military), and USAID personnel, with the Departments of Agriculture, Justice, and Commerce adding a handful of civilian experts. Additionally, American advisors from the State Department, Defense Department, and USAID work to develop similar capacities within the Iraqi central government ministries, improving the ability to plan and execute programs and budgets to deliver required services.

Yet these current efforts neglect important aspects of long-term institutional development. For example, U.S. efforts must also emphasize the development of personnel policies to try to promote competent managers within the
ministries and provincial governments while containing corruption. Existing U.S. governance programs rely too much on developing personal relationships with specific officials, an approach that generally does not produce results that last beyond an American advisor’s rotation. Empowering professional civil servants rather than political appointees within Iraqi bureaucracies would help preserve and protect institutional practices based on a merit system, as well as enable best practices to be developed and passed on. Advisors on PRTs or ministerial support teams should make sure that their efforts do not neglect the important mission of shaping the future sustainability, effectiveness, and transparency of ministries and local governments.

Capacity-building efforts are likely to wane as U.S. forces draw down, since civilian personnel rely on the U.S. military for protection, transportation, and supplies. Thus, the transition force that remains in Iraq after August 2010 should focus on supporting civilian institutional development efforts. AABs can provide a base of support and protection for civilian agencies in the field. Some PRTs could work under the protection of Iraqi units with embedded American advisory teams. More critically, even as the U.S. Embassy in Iraq begins to “normalize” its number of personnel, it must maintain support for PRTs and ministerial support teams. Undoubtedly, safety concerns and budgetary constraints will create pressure to consolidate non-military personnel at the embassy in Baghdad. The U.S. Ambassador in Iraq and Secretary of State must resist this temptation, arguing that the risks and costs of capacity-building efforts in the field are outweighed by their value in advancing U.S. interests.

America can also promote good governance and effective institutions in Iraq through targeted programs to train and educate promising Iraqi students and civil servants. In the near term, the U.S. government can facilitate short-term programs that send small teams of U.S. departmental and state administrators to Iraq to conduct specific training in particular functions like strategic planning and budget implementation. Over the long term, the United States should set a much higher target for the number of Iraqi students educated in public administration programs in America, as well as in cooperative programs with other countries. Existing student exchange programs are woefully inadequate: only 190 Iraqis studied in America in 2006. The United States should invest in training Iraq’s future leaders in the techniques of effective governance while helping these Iraqis better understand America, providing a foundation for mutually beneficial relations for years to come.

Diversifying the Iraqi Economy

Oil was supposed to fund Iraq’s postwar reconstruction, but antiquated and ill-maintained infrastructure, mismanagement, and the global recession have combined to prevent oil production and revenues from meeting lofty expectations. The revenue shortfall has constrained the Iraqi government’s ability to pay employees and provide services. Iraq’s public sector accounts for 43 percent of the country’s jobs and 60 percent of all full-time employment, with the higher salaries and better job security offered by government employment drawing the most skilled workers away from the private sector. Government reliance on oil revenues makes further expansion of the public sector an unsustainable solution to the country’s shortage of job opportunities: unemployment in Iraq is estimated at 18 percent with an additional 10 percent underemployed, and another 200,000 to 450,000 new entrants join the labor pool each year.
While recognizing oil’s primacy in the Iraqi economy, the United States should help Iraq diversify its economy to reduce vulnerability to price fluctuations, unemployment, and incentives for communal competition to control oil fields. Agriculture, which currently accounts for 10 percent of Iraqi gross domestic product and 25 percent of employment, presents one possible opportunity for diversification. The U.S. Embassy’s Office of Agricultural Affairs, manned by the Department of Agriculture’s Foreign Agricultural Service, and the Defense Department’s Task Force to Improve Business and Stability Operations, which brings American land grant university professors to partner with Iraqi farmers, lead efforts to help rebuild Iraqi agriculture and agribusiness. Agricultural expansion is particularly important because it provides jobs and economic opportunity around Baghdad and in western and northern Iraq, covering Sunni areas that were strongholds of the insurgency and benefit less from the oil industry jobs available in southern Iraq and around Kirkuk.

The United States should also help to rebuild Iraq’s human capital, which was decimated over decades of totalitarianism, isolation, and war. This will entail living up to commitments America made in the Strategic Framework Agreement with Iraq, which specifies exchange programs for education and job training and bilateral business dialogues. Developing Iraqi bankers should be a special point of emphasis, as the country’s current banking and trading system is weak and overly reliant on physical transfers of funds; fuller integration of Iraq into the global economy will depend in part on reform of its banking sector. America can sponsor enhanced exchange programs to provide training and education in entrepreneurship, business, and management. Programs akin to the Fulbright scholarship should be designed to bring Iraqis to U.S. schools and companies to learn and gain hands-on experience. The U.S. government can also help facilitate partnering arrangements between American and Iraqi companies that will open new opportunities to U.S. business while simultaneously encouraging Iraqi economic development and training future Iraqi business leaders.

“While recognizing oil’s primacy in the Iraqi economy, the United States should help Iraq diversify its economy to reduce vulnerability to price fluctuations, unemployment, and incentives for communal competition to control oil fields.”
THE CHALLENGE AND THE OPPORTUNITY

America’s involvement with Iraq has been painful and controversial. The United States and Iraq have both suffered great human, financial, and moral costs. Americans will debate whether the war was justified or wise for years to come, and the desire to curtail U.S. involvement is strong.

Yet neither the debate over how America came to this point nor a new strategic focus on Afghanistan and Pakistan changes the fact that America has a vital stake in Iraq’s success. American strategy should facilitate resolution of key internal impediments to Iraq’s stability and strengthen its development as a capable state that can defend itself, govern itself effectively and responsibly, and establish the foundations of a more resilient economy. These outcomes will not be achieved through force. Rather, they require persistent, long-term engagement that leverages diplomatic, economic, and cultural elements of national power effectively and affordably to assist Iraqis in rebuilding their country.

This is a daunting challenge, but it is also an opportunity to cultivate Iraq as a strategic partner. By facilitating Iraq’s reintegration into the region, the United States can help ensure that the country reemerges as a constructive player in the Middle East, a development that would help advance long-term American national security goals of preserving stability, countering transnational terrorism, and promoting responsible governance. The trauma and controversy surrounding the war, and the understandable desire of Americans to put Iraq behind them, should not distract from this opportunity.
ENDNOTES


3 Polling by Gallup found that as of March 2009, 51 percent of Americans regarded the “economy in general” as the most important problem facing the United States, compared to 6 percent who said the situation in Iraq was the most important problem. By comparison, Iraq was the top issue for 29 percent of Americans in December 2007, while 13 percent said the economy was the top issue. See “For Americans, Economy Persists as Most Important Problem,” Gallup (27 March 2009), http://www.gallup.com/video/117145/Americans'-Economy-Persistss-Most-Important-Problem.aspx, and Lydia Saad, “Economy Entrenched as Nation’s Most Important Problem,” Gallup (10 December 2008), http://www.gallup.com/poll/113041/Economy-Entrenched-Nations-Most-Important-Problem.aspx.


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About the Center for a New American Security

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Production Notes

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Soy ink is a helpful component in paper recycling. It helps in this process because the soy ink can be removed more easily than regular ink and can be taken out of paper during the de-inking process of recycling. This allows the recycled paper to have less damage to its paper fibers and have a brighter appearance. The waste that is left from the soy ink during the de-inking process is not hazardous and it can be treated easily through the development of modern processes.