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American Policy Toward Iraq After 2011

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Mr. Chairman and distinguished Senators, I am honored to be able to appear before you to discuss the situation in Iraq and the shape of American policy toward Iraq beyond the end of the U.S. military mission there in December 2011. It is a great credit to this august committee that at a time when the nation appears to want to forget about our mission and our interests in Iraq, you refuse to forget. It is absolutely vital. Since 2003, the United States has invested a great deal in Iraq, and there is still a reasonable chance that we might see real benefit to the blood and treasure we have sunk into that country. Of far greater importance, Iraq remains deeply troubled, and retains the potential to cause great harm to the rest of the Persian Gulf region, with all of the awful consequences that would entail for our oil-addicted global economy. Unfortunately, it is a task that will be much harder in the future even than it was in the past, when it was very, very hard.

It seems pointless to ask who "lost" Iraq. Iraq may not yet be lost; although the most likely scenarios for the country seem dark, historical events sometimes unfold in ways that defy human prediction. If our concern on the other hand, is 'what were the worst mistakes that the United States made in Iraq and who was responsible for making them?' then we have a very daunting challenge ahead of us. Those mistakes are almost numberless. They stretch back in time to the months before the invasion itself and continue on up to the present day. The George W. Bush Administration committed any number of catastrophic, senseless errors in Iraq. Even at the very end, when they had reversed some of the worst of their early mistakes, they were still making new ones and compounding other old ones. For its part, the Obama Administration inherited a very weak hand on Iraq from the Bush Administration, but then played it very badly as well. The recent negotiations over extending an American troop presence—in which the Administration negotiated with itself more than it negotiated with the Iraqis—was only one such example, and it was not the only one. Ultimately, the United States never formulated an exit strategy for Iraq, we simply exited.

So much water has passed beneath that bridge that it seems far more constructive—and time-efficient—to instead focus on what U.S. policy toward Iraq ought to be moving forward. We cannot reverse time and undo our many mistakes. We cannot change the past or conjure a new present. We can only ask what is possible for America and Iraq in the future.

Of necessity, any discussion of the future must begin with a stock-taking of the present. By any objective standard, Iraq remains weak and fractious. It is not ready to be without an external peacekeeping presence. Its political leadership has not demonstrated anything like the maturity that will be required to prevent the country from sliding back into civil strife, as has so often been the case historically with countries that have experienced the same kinds of tragedies that Iraq has over the past decade (or three). Perhaps they will surprise us all and become the selfless, far-sighted and wise leaders that Iraq desperately needs. So far, their behavior during the past two years as the American drawdown from Iraq became ever more tangible, has shown little to be sanguine about. Indeed, Iraq's leaders generally continue to hew to the worst patterns, those which typically lead to civil war, tyranny or state collapse rather than stability, prosperity and democracy.

Yet be that as it may, that is where we and the Iraqis are headed. To a very great extent, Iraq is passing beyond America's influence. The Administration's recent decisions have made this situation an irreversible, if unfortunate, reality. There is no turning back the clock, even if Washington suddenly had a change of heart. The decisions that have been made are now virtually set in stone. There will not be a significant American military presence in Iraq in the future. That train has left the station and it cannot be recalled or reboarded at some later stop.

And so, the critical question that lies before us unanswered is how can the United States protect its interests in Iraq without troops in country, without the ability to act as peacekeeper, and without any expectation that the Administration or the Congress will commit significant resources to Iraq? That question is critical because Iraq remains critical to America's vital interests in the Persian Gulf region, and particularly the flow of oil from the region upon which the global economy depends. It is especially true in the midst of the great Arab Awakening that began this year and has rolled across the Middle East bringing hope and fear, progress and violence in equal measures to a region that previously seemed utterly moribund—and now seems entirely up for grabs. The United States cannot afford to have Iraq turn bad, both because of its own intrinsic importance and its ability to poison other key Persian Gulf states. However, our ability to steer Iraq away from rapids and cataracts has suddenly diminished. In the end, we may simply be along for the ride as Iraq's leaders squabble over course and speed, but it would be all to the good if we can pick up an oar or grab the tiller and help guide Iraq toward safer waters.

Iraq's Persistent Problems

Iraq is still far from sustainable stability, let alone prosperity or true pluralism. The state institutions that have evolved since 2003 remain weak and characterized by political factionalism. Appointments to ministries and other state institutions, especially in the economic and social services spheres, are driven primarily by the notion of "sharing the pie" of power and patronage, rather than by qualification or competence. Ministries themselves remain largely political fiefdoms and massive graft machines, with jobs and services frequently provided on the basis of ethnic, sectarian, or party affiliation. Not surprisingly, politicization of the ranks of the civil service has accelerated, in turn diminishing technocratic competence, especially as experienced personnel have been culled, either as a result of age or perceived links to the former regime. Thus, the institutional vacuum created by the U.S.-led invasion and collapse of the Iraqi

state has still not been properly filled, and Baghdad continues to struggle to extend its power and administration throughout the provinces.

Complicating these problems have been two core issues that remain unresolved and that threaten stability and the functioning of the Iraqi government: the dispute over federalism and the absence of progress toward genuine national reconciliation. While Iraq is defined as a federal state in the 2005 Constitution, serious disagreements remain over the extent to which decentralization is mandated, and ultimately over where sovereignty lies. This issue does not just divide Arabs from Kurds (and Irbil from Baghdad). There is also a lack of common vision among Iraq's various Arab constituencies. Some Islamist Shi'i parties, such as the Islamic Supreme Council of Iraq (ISCI), have promoted a sectarian-based system of regions modeled on the power of the Kurdistan Regional Government. ISCI has since backed away significantly from these ideas, but some officials in individual provinces, notably al-Basra and Salah ad-Din (and to a lesser extent Maysan and al-Anbar), continue to seek extensive decentralization of power for themselves, with some of the same security and economic authority—including over hydrocarbon resources and revenue—that Irbil has amassed. Indeed, there is still considerable discussion of the three majority-Sunni provinces of Anbar, Salah ad-Din and Nineveh forming their own region on the Kurdish model, and that Basra might declare itself autonomous. On the other side of the equation, a dwindling majority of Iraqi Arabs—Sunni and Shi'i—appear to favor preserving Baghdad's centralized authority; they see Kurdish efforts, and tentative similar moves by various Sunni and Shi'i Arab groups as a serious threat to the territorial integrity of Iraq.

This festering dispute has undermined both governance and stability. Until now, the failure to reconcile the rival visions of federalism has been papered over through ambiguity—as in the case of the Constitution, of subsequent legislation on devolution of power, and of the budget. This has blocked the passage of key laws altogether. Worse still, Irbil and Baghdad have pursued policies based on their own interpretation of their constitutional mandates, widening the gap between them and complicating the steps that will need to be taken to accommodate their rival visions of the state, not least because of the growing mutual mistrust between the two sides. For the Kurds, creating what amounts to a confederacy of Kurdish, Sunni, and Shi'i regions *throughout all of Iraq* is viewed as an existential priority to ensure that no future government in Baghdad will ever have the power to repeat historical abuses and past ethnic cleansing against Kurds. But each initiative Irbil takes to facilitate this objective—and to block the central government's efforts to restore its former power—raises the hackles of Arab politicians in Baghdad who suspect that the Kurds' ultimate goal is the dismemberment of Iraq. The Kurds in turn interpret what they see as foot-dragging on fully implementing decentralization provisions called for in the Constitution as evidence that the mindset in Baghdad has not really changed. These mutual concerns and fears have driven political leaders there to ever-more hardline reactions, raising the risk of local confrontations escalating out of control while holding up key national events such as elections and the census.

The absence of progress toward genuine national reconciliation is similarly destabilizing. While Iraqis have embraced representative politics wholeheartedly, Iraq's political leadership has refused to clarify unambiguously who can participate in government and under what terms. In fact, it has often allowed the most radical groups and individuals to manage this process and establish the framework for determining who is in and who is out. Thus, de-Ba'thification

procedures have been abused for political gain, especially among Islamist Shi'i politicians seeking to protect their gains since 2003. Both the process and the institutions that administer it lack full legislative underpinnings, and the refusal to draw a line under the procedures—or to institute a truth and reconciliation process comparable to post-apartheid South Africa's—create political disruptions (as was evident in the run up to and after the March 2010 election). In the longer term, this will be a ticking time bomb if Sunni and nationalist constituencies feel that de-Ba'thification is being implemented as a way of denying them a legitimate share of power.

Left unaddressed, the disputes over federalism and national reconciliation could unravel the progress toward stability. At the very least, they will retard Iraq's ability to become an effective, well-managed state, dooming it instead to continued muddling-through and ineffective governance. As such, resolving the disputes should be a priority for Washington. Tensions between Baghdad and Irbil, and between the KRG and neighboring Iraqi provinces, have been high for some time, with occasional threats of violence. Indeed, U.S. military commanders still talk of it as the most vulnerable fault line in Iraq. But Baghdad could also face unmanaged challenges from elsewhere in the country, as recent regionalism initiatives in Salah ad-Din and al-Basra attest. Meanwhile, ambiguity over political participation rights could spark violent antipathy among constituencies formerly associated with the insurgency in the west and north-west of Iraq. Many of these groups remain deeply suspicious of the new regime in Baghdad, and the Islamist Shi'a that dominate it, suspecting that they will never create the space for other constituencies to share political power. For them, the specter of periodic purges and exclusion from power under the guise of de-Ba'thification will limit the extent to which genuine national reconciliation is possible.

Meanwhile, the inability/unwillingness of Iraq's leadership to address Iraq's basic political divisions is beginning to re-ignite Iraq's smoldering security problems. Prime Minister Maliki's dependence on the Sadrists and Iran (who were the keys to his retaining office) has meant that violent Shi'a groups such as Asaib Ahl al-Haqq, Khitaib Hizballah and the Promise Day Brigades of Muqtada as-Sadr's own Jaysh al- Mahdi, have been able to operate with relative impunity. Their attacks on U.S. forces are creating a real force protection problem for the United States that will persist past the withdrawal of American combat troops at the end of this year because Muqtada has already announced that the U.S. Embassy still constitutes an occupying force that must be resisted just as the troops themselves were.

Of greater importance still, rising Shi'a violence, mistreatment of the remaining Sons of Iraq, and the growing sense that the Shi'a "stole" the election and are now using their control of the government to deprive the Sunni community of its fair share of power and economic benefits, appears to be pushing many Sunnis back in the direction of fear and violent opposition. The recent arrest of nearly 600 Sunnis by the government on outlandish claims that they are all Ba'thists seeking to overthrow Iraq's current government and return it to a Ba'thist dictatorship, coupled with numerous smaller, but similar actions, has many Sunnis convinced that Shi'i Islamists intend to use their control of the government's security forces to kill and oppress Sunnis exactly as they had been doing in 2005-2006 before the U.S. surge put an end to ethnic cleansing. Slowly growing support for nationalistic Sunni terrorist groups like Jaysh Rijal al-Tariqa al-Naqshbandia (JRTN, or The Men of the Army of the Naqshbandia Order) is a particularly important canary in the coal mine because they represent a more nationalist

opposition compared to al-Qa'ida in Iraq, which remains largely discredited by its foreign influence and extreme religious beliefs. Worse still, many Sunni tribal leaders and mid-level officials talk openly about having to take up arms to defend their communities from the Shi'a terrorists, since the government won't and the Americans are leaving.

Scenarios for the Future of Iraq

It is not hard to discern that Iraq today is not headed in a positive direction. The government remains utterly paralyzed by the country's divisions, and by leaders absolutely unwilling to make compromises of any kind to break the logjam. Efforts to fight corruption, nepotism, and politicization of the military and bureaucracy have been discarded and all of these problems are running rampant. Indeed, corruption currently appears to be the only engine of government activity. Were there no corruption, the government might not be doing anything at all. Violence has re-emerged as a tool of various groups—including the governing coalition—seeking to advance their political agendas. This in turn is pushing other groups in the direction of taking up arms again if only to defend themselves against other groups using violence since the government is unwilling to apolitically enforce the rule of law.

Looking forward from this state of affairs, it is possible to imagine four broad, plausible directions in which Iraq might move. None would be worth celebrating, although some would be much worse than others. Evaluating these scenarios is important both as a sobering reminder of what is truly plausible as opposed to some rosy fantasies we might like to believe, and that might have been possible several years ago, but in today's context can only be seen as long-term aspirations at best. They also provide a sense of what the United States ought to be striving to achieve in Iraq, and what is most important to try to prevent.

A new dictatorship. Many Iraqis and many observers of Iraq, believe that the most likely future for Iraq is a new dictatorship, this time by the Shi'a. Although Prime Minister Maliki almost certainly is not consciously seeking such a position, his approach to Iraq's problems is nonetheless taking him that way all the same. Maliki evinces considerable paranoia, something entirely understandable from someone who was a member of a small, revolutionary party relentlessly chased by Saddam's security services for almost 30 years. This makes him prone to see conspiracies, especially among Sunnis. He is often impatient with Iraq's democratic politics, and he just as frequently acts arbitrarily, extra-constitutionally, even unconstitutionally to root out a suspected conspiracy or overcome political opposition. He is consolidating power within Iraq, and even within the Iraqi government, in a tight circle of people around himself. He is purging large numbers of people from other parties, groups, sects and ethnicities and rapidly politicizing Iraq's relatively professional armed forces.

From an American perspective, a stable new dictatorship might be perfectly acceptable, at least from the perspective of short-term American material interests in Iraq. The problem is that any new dictatorship is unlikely to be stable and is far more likely to lead to civil war. It is worth keeping in mind that Saddam was the only dictator Iraq new who could rival a Mubarak or a Hafez al-Asad in terms of relative stability (and that is a very relative statement). And it required near-genocidal levels of violence to do so. Even Saddam had to fight frequent revolts by the Kurds and, in 1991, by elements of the Shi'i community. In Iraq's present circumstances, however, any bid for a new dictatorship, whether consciously or absent-mindedly, would be

more likely to produce civil war than a return to centralized autocracy. Whether it is Maliki or another would-be strong man, any effort by someone (probably a Shi'ah) to make himself dictator of Iraq would doubtless provoke various political and ethno-sectarian rivals to take up arms to prevent his consolidation of power. The government and military would most likely fragment (a la Lebanon) and the result would be far more likely to be a civil war, not a stable tyranny.

In addition, if Maliki, or another Shi'a were to emerge as a new dictator, he would inevitably be pushed into Iran's arms. A Shi'a dictator of Iraq would axiomatically be rejected and ostracized by the majority Sunni states of the Arab world. The only ally he would have would be Iran—and perhaps Syria, if the Asads can hold power (and indeed, Maliki's government has come out publicly in support of the Asad regime in Syria's own civil war). Moreover, a Shi'i dictator would face tremendous opposition from Iraq's Sunni community, particularly the tribes of Anbar, Salah ad-Din and Ninevah, all of whom would be supported by the Sunni regimes. Again, an Iraqi Shi'a dictator's only source of succor would be Iran.

Renewed civil war. Historically, this may actually be Iraq's most likely future. Although academic studies of intercommunal civil war show some variance, a considerable body of work—including the best and most recent studies—indicate that states that have undergone one such round of conflict (as Iraq did in 2005-2007) have anywhere from a 1-in-3 to a 1-in-2 likelihood of sliding back into civil war within about five years of a ceasefire (which in Iraq came in 2008).[1] Since the U.S. invasion in 2003, Iraq has followed the quintessential pattern for how states descend into civil war, how they emerge from it, and now how they fall back into it. Everything that is going on in Iraq today as American peacekeepers prepare to leave—the resumption of violence, the rapid deterioration of trust, the expectation that things are going to get more violent and corrupt, the unwillingness of leaders to compromise, the determination of actors across the spectrum to take short-sighted actions to protect themselves at the expense of others' trust and security—shows that Iraq continues to hew closely to these awful patterns.

Civil war in Iraq would be disastrous for the United States for a variety of reasons. It could affect Iraq's own oil production, and spillover from an Iraqi civil war could produce civil war in any of Iraq's neighbors—including, most importantly, Saudi Arabia—or a regional war over the carcass of Iraq that might also affect oil prices or even oil production itself. Moreover in the short term, Iran would likely find itself able to dominate significant areas of Iraq by backing Shi'a militias in the fighting—militias that would have no one to turn to except Iran, as was the case in 2005-2007.

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[1] On the proclivity of civil wars to recur, see Paul Collier, Lani Elliott, Havard Hegre, Anke Hoeffler, Marta Reynal-Querol, and Nicholas Sambanis, *Breaking the Conflict Trap: Civil War and Development Policy*, The World Bank and Oxford University Press, Washington, DC, 2003, available at http://homepage.mac.com/stazon/apartheid/files/BreakingConflict.pdf, p. 83; James D. Fearon, "Why Do Some Civil Wars Last So Much Longer than Others?" *Journal of Peace Research*, vol. 41, no. 3 (May 2004); Donald L. Horowitz, *The Deadly Ethnic Riot* (Berkley: University of California Press, 2001); Stathis N. Kalyvas, *The Logic of Violence in Civil War* (Cambridge: Cambridge University Press, 2006); T. David Mason, "Sustaining the Peace After Civil War," The Strategic Studies Institute, U.S. Army War College, Carlisle, PA, December 2007; Barbara Walter and Jack Snyder, eds., *Civil Wars, Insecurity, and Intervention* (New York: Columbia University Press, 1999); Barbara Walter, "Does Conflict Beget Conflict? Explaining Recurring Civil War," *Journal of Peace Research* 41, no. 3 (May 2004): 371—388.

A failing state. Another plausible outcome of Iraq's current state of affairs would be a weak, fragmented, or even a failed state. The central government has a certain amount of power, but it is not efficient and Iraq's provinces have a certain ability to resist. Moreover, as Maliki attempts to centralize power, so other groups are pushing in the opposite direction. Thus, while one set of scenarios would have to envision Maliki (or some other Shi'a leader) prevailing in this contest and establishing a new dictatorship, so another set of scenarios would have to imagine him failing because the provinces/regions/ethno-sectarian communities were successfully able to resist and to pull away from the central government. Indeed, Salah ad-Din province recently declared its autonomy, and there is widespread talk of Anbar and Nineveh joining it in a Sunni region akin to the Kurdistan Regional Government. Likewise, numerous groups and influential figures in oil-rich Basra are talking about doing the same. If they were to succeed, they would cripple the Iraqi central government. Because Iraq actually requires a fair degree of integration for economic reasons, such a centrifugal trend would likely result in an across the board breakdown in public services, economic affairs and security. Local groups (militias, but likely operating in the name of provincial governments) would fill the vacuums as best they could, but their efforts would be uneven at best, and at worst—and probably far more likely—would be corrupt, incompetent and prone to violence. Iraq might not quite look like Somalia, but it could end up bearing more than a passing resemblance to it, with all of the terrible implications for terrorism and instability in the wider region that implies.

Muddling through, perhaps ultimately upward. The only plausible, positive (in a purely relative sense) scenarios that one can imagine for Iraq given its current state of affairs are ones that envision long, painful processes during which Iraq does not fall apart or fall into dictatorship, but not much positive happens either for some period of time. Then, at some point in the future, either because Iraqi voters are somehow able to bend Iraq's politicians to their will in a way that they could not in 2010, or because a charismatic and altruistic leader emerges who galvanizes the Iraqi polity, things begin to move in the right direction. Leaders begin to make compromises, small at first, but growing as they build trust in one another and reap the benefits of cooperation. Outside powers and businesses see progress in Iraq and begin to invest again, creating an economic stake for everyone in continued cooperation and progress. Violence is discredited. Eventually, this could produce a strong, self-confident, truly democratic Iraq that would have the strength and confidence to limit Iranian influence to what is customary among neighboring states.

Such scenarios are not impossible, but at present they also seem quite unlikely. There simply is no evidence in contemporary Iraq that would suggest that this is happening or could happen soon. The macro trends in politics, security and the economy are all negative, and while there are certainly some positive trends at a more micro level, these are all almost certain to be swamped if those macro trends continue to move in the wrong direction. When one looks at what is happening in Iraq today, it is very hard to find evidence to make a compelling case that Iraq is likely to muddle through its current problems, find a way to unlock its paralyzed political process, and begin to replace its vicious cycle with a benevolent one.

American Priorities and Iraqi Domestic Politics

The most likely scenarios for Iraq are dark ones, but some are much blacker than others, and the United States must make every effort to help Iraq avoid the worst and achieve the best, even if that best is a far cry from what might once have been imaginable.

As those scenarios also make clear, Iraqi domestic politics has become the center of gravity of the American effort toward Iraq. The future of Iraq, and American interests there, will be principally determined by the course of its domestic politics, and that in turn will determine whether America's vital interests there are safeguarded. Security in Iraq has improved significantly, but it will only hold over the long term if Iraqi politics sorts itself out and is able to provide for the people, govern the country, and resolve its internal antagonisms. If Iraq's domestic political framework collapses, so too will the country's security. Iraq's economy continues to sputter along and it will only improve when there is a government in Baghdad able to govern effectively, harness Iraq's oil wealth, and use the proceeds to redevelop the entire country. Moreover, if there is going to be an economic collapse in Iraq, it will almost certainly come from some failure of Iraq's domestic politics (like mismanaging the oil sector). In other words, while a civil war might technically be the result of a deterioration in the security situation or an economic meltdown, in actuality the many things that could give rise to such situations now lie largely, if not entirely, in the realm of politics.

Because Iraq's domestic politics is the key to the future stability or instability of the country, and because it remains so fraught, it must be the principal American focus moving forward. Consequently, the absolute highest priority for the United States for the next several years must be to see Iraq's domestic politics work out right. That means ensuring some degree of respect for democracy, transparency, and the rule of law; some development of bureaucratic capacity; no coups d'état; no dictators; some movement toward reconciliation among the various ethno-sectarian groupings, as well as within them; a reasonable delineation of center-periphery relations including a workable agreement over the nature of federalism; and an equitable management and distribution of Iraq's oil wealth.

The problem is that domestic politics may well prove to be the area where Iraq's political leadership are least desirous of an American role. Iraq's political leaders have a less than stellar record of playing by the rules of democracy and enforcing the rule of law. Especially when they are in positions of authority, there has been a dangerous tendency to skirt, avoid, or flat-out ignore the Constitution in both letter and spirit. Iraq's political leadership tends to be dominated by former warlords, clerics, tribal shaykhs, and expatriates, few of whom have experience with democratic processes and even fewer of whom seem to understand that respect for the Constitution establishes precedents and norms that will constrain their rivals just as it constrains their own behavior—and that that may someday be very important to them. Most struggle to find ways to play Iraqi politics the old-fashioned way and only grudgingly obey the rules when they must.

Since 2003, the United States has provided the ultimate insurance that no group will be able to completely overturn the system and dominate others. This is a U.S. role that many Iraqis continue to regard as at least a necessary evil if not a positive good. Most Iraqis want greater democratization, even if they don't always use the word. They want to see their new political system succeed and their leaders forced to deliver goods and services for them, rather than vice

versa, which has too often been the case in Iraq. They want more transparency and more accountability and blame corruption for the dismal state of service delivery in the country. They want governmental institutions they can rely on and political parties that represent their interests rather than someone else's. They want all of the things that the United States wants.

Iraq's leaders recognize this as well and they fear the residual influence of the United States will force them to deliver. It is why those out of power regularly call on the United States to "play a more active role" in Iraqi politics, and why those in power often chafe at American interference in Iraqi politics. It is why Iraqi leaders in power call on the United States to stand aside and allow the Iraqis to solve their own problems, especially when those leaders are acting in an extra-constitutional or even entirely unconstitutional fashion.

Thus, it is important for both the future of Iraq and for America's vital interests that the United States focus its energy and resources on Iraq's domestic politics. Yet, domestic politics is also the arena in which Iraq's political leaders, particularly those in power, will be most determined to exclude the United States. For that reason, the United States must be prepared to subordinate virtually every other aspect of its Iraq policy by making major sacrifices in areas previously held sacrosanct, to maximize its ability to influence Iraq's domestic politics. It is why virtually every other element of the U.S.-Iraq relationship needs to be seen as leverage to get the Iraqis to do the necessary in the one area of greatest importance to us (and to their own long-term best interests as well). For this reason, the political arena should be the one where America applies conditionality most clinically.

As important as Iraq's domestic politics are to American interests, it is critical that the United States recognize its own limitations. The United States can shape Iraqi politics, but shape is all it can do. The United States cannot dictate to the Iraqis anymore. Especially between 2003 and 2006, Americans often drew up virtual blueprints for the Iraqis and then demanded that they adopt the U.S. project in toto. Those days are gone. In fact, much of the success that the United States enjoyed in 2007-2010 has been a result of new American political and military leaders who recognized this reality and were far more solicitous of Iraqi views. It is that practice that must continue and even expand in the face of the diminishing American role in Iraq and the re-mergence of Iraqi sovereignty and nationalism.

Devising New Instruments

Frederick the Great once said that diplomacy without arms is like music without instruments. Perhaps nowhere is that more true today than for American policy in Iraq. The end of the American military presence, the dramatic reduction in American aid to Iraq, and the increasing influence of Iran in Iraq all mean that the United States has dramatically fewer assets to call upon to advance its Iraq policy than it had even a year ago. Consequently, one of the most important tasks for the United States as it attempts to maintain some influence in Iraq is to forge new instruments that will provide us with new leverage to replace what we have lost.

The most important source of American influence moving forward is conditionality. Virtually all American assistance to Iraq should be conditioned on Iraqis doing the things that the United States needs them to do, which in every case is likely to be something that is in the long-term interests of the Iraqi people and the Iraqi nation, albeit not necessarily in the short-term interests

of various Iraqi politicians. Conditioning assistance means linking specific aspects of American activities to specific, related aspects of Iraqi behavior. It also means tying wider aspects of American cooperation with Iraq to the general course of the Iraqi political system. Ultimately, the United States must condition the continuation of the U.S.-Iraqi relationship on the willingness of the Iraqi political leadership to guide their country in the direction of greater stability, inclusivity and effective governance.

The future of Iraq will be determined principally by the course of its domestic politics, and that in turn will determine whether America's vital interests there are safeguarded. Security in Iraq has improved significantly, but it is already fraying and it will only hold over the long term if Iraqi politics sorts itself out. If Iraq's domestic political framework collapses, so too will its security. Iraq's economy continues to sputter along and it will only improve when there is a government in Baghdad able to govern effectively. If the Iraqi economy collapses, it will almost certainly stem from a failure of Iraq's domestic politics.

The Strategic Framework Agreement

There are still literally hundreds of things that the United States is doing for Iraq. The United States still provides some critical economic and political assistance from capacity building in Iraq's federal and local government institutions, to micro-loans, to military equipment, to technical expertise. It is why so many Iraqi governors and mayors are despondent that they are losing the American Provincial Reconstruction Teams.

Ultimately, the greatest source of American influence in Iraq moving forward is likely to be the provision of additional assistance in a vast range of different areas—from military operations and weapons sales, to capacity building, education, almost every aspect of economic reform, and a slew of major diplomatic matters. The foundation for this future cooperation is a little-known but critically important document known as the Strategic Framework Agreement (SFA), which the United States and Iraq signed in late 2008 at the same time that they also signed the Security Agreement (SA) governing the continued presence of American troops in Iraq until December 31, 2011.[2] It is important not to make too much of the SFA. It is nothing but a framework; an empty shell for the United States and Iraq to flesh out as they see fit over the years. There is little more than general exhortations regarding the broad types of aid that could be provided, without any specification of time, dates, quantities, or other details.

Nevertheless, whereas the SA tended to be controversial in Iraqi politics because it governed the presence of American troops, the SFA is much less so because Iraqis desire continued American aid, investment and assistance in many areas of public life. In fact, it was the Iraqi government that proposed the SFA as a way of demonstrating that the bilateral relationship was no longer to be defined principally by security issues. The SFA also seeks U.S. diplomatic assistance in helping Iraq regain the international standing it had prior to Saddam Husayn's disastrous invasion of Kuwait in 1990.

[2] The Security Agreement (SA) is often erroneously referred to as a "status of forces agreement (SOFA)." The SA serves a similar purpose, but the Iraqis specifically objected to naming it a "SOFA" because of the negative connotations associations with that term in Middle Eastern, particularly Iranian, history.

Even Iraqis who would like to see every American soldier gone from the country often favor the aid and assistance encompassed by the SFA. Thus, the SFA and the potential for continuing American aid to Iraq across the board and well into the future is a powerful source of leverage for the United States. At bottom, anything that the Iraqis want is a source leverage for the United States, especially if it is not something that the United States needs for its own, independent interests.

The central challenge will be reconciling U.S. and Iraqi expectations for the SFA and finding creative ways to use it to pursue these critical aims in an era of sharply declining resources. The United States will need to be upfront with the Iraqi government that the SFA does not represent a new Marshall Plan for Iraq and that it will only be making relatively limited additional financial contributions to Iraq's reconstruction. This will doubtless be a major disappointment for many Iraqis who imagine still more largesse flowing their way from the U.S. Treasury. To mitigate this disappointment and to make the American contribution to the SFA desirable to Iraqis, the United States will have to think creatively about how to provide valuable assistance without the need for large-scale American financing. Moreover, as Iraq's oil revenues increase over time, Iraq should be able to pay for more of its reconstruction needs. Therefore, the real value added from the American side will be insight and advice on how best to employ those resources rather than adding in more resources—something that neither the administration nor Congress has any interest in providing.

Consequently, the United States should focus the assistance it provides to Iraq under the rubric of the SFA primarily on capacity building by providing technical advice, consulting services, and technology and knowledge transfers to key areas of the Iraqi economy. The United States must now consider both how it can be most effective in this role and how it can maintain the leverage to encourage Iraqis to build a transparent and accountable government when America is no longer putting up large amounts of its own money for projects.

There are, fortunately, a number of areas of the Iraqi economy both inside and outside the SFA where the United States can deliver tangible added value at a relatively low financial cost. These include:

- International engagement and mediation on issues such as Iraq's Chapter VII UN obligations, including annual reparations to Kuwait and disputes over the Iraq-Kuwait maritime boundary (which have the potential to hamper Iraq's primary oil export route through the Persian Gulf), dialogue with Iraq's northern neighbors, especially Turkey, on regional water-sharing agreements, and the protection of Iraq's oil revenues from legal claims relating to actions of the former regime, something that if left unaddressed could hamper long-term investment in the oil and gas sector;

- Formation of a joint economic commission under the SFA, which, when requested by Iraqis, could serve as a central oversight body to coordinate, monitor, and provide technical expertise for reconstruction and capital investment projects initiated with Iraqi funds;

- Technical advice, knowledge sharing, and technology transfer to vital areas of the Iraqi economy and society such as improved domestic water efficiency and management and agricultural development and productivity;

- Finding ways to continue to assist Iraq's provincial governments, event after the shutting down of U.S.-led Provincial Reconstruction Teams (PRTs), in obtaining the release of their annual investment budget allocations from national authorities; and

- Legislative actions to create a business environment that encourages Western business investments.

The United States should make it clear that assistance of this type is contingent upon Iraqi authorities at both the national and provincial level taking specific steps to put in place transparency, oversight, and accountability mechanisms aimed at mitigating the corrupting and insulating effects of Iraq's oil economy. Fortunately, and not by coincidence, these actions are all fully consistent with the goals of the Iraqi National Development Plan to halve unemployment, promote rural development, increase environmental protection, reform administrative systems, and support decentralization. They would also be of substantial financial and even political benefit to Iraq's new government and generally should not be provided until it demonstrates the willingness to take the hard steps to enable a greater portion of Iraq's oil wealth is turned into investments that fuel service delivery, economic growth, and broader political legitimacy. This must ultimately be the overriding objective of all U.S. economic and governance assistance to Iraq.

Security Assistance

The withdrawal of U.S. military forces from Iraq by the end of this year should not be the end of U.S. security assistance to Iraq. The Iraqis still need help in this area, making it another critical area of potential American leverage. Moreover, American security assistance to Iraq can also play an outsized role in helping to safeguard a number of key American interests in Iraq and the wider Persian Gulf region.

Protecting Iraq from Regional Threats. On January 1, 2012, when all American troops have departed, Iraq's military forces will be unable to defend the country's land or maritime borders or control and protect Iraq's airspace. That fact poses two dangers to America's interests in preventing the emergence of an aggressive Iraq and desiring Iraq to retain a pro-American alignment. First, it may encourage Iraq's neighbors to take advantage of Iraq's weakness and second, it may encourage Iraqi leaders to try to build their own military forces to a level that is itself destabilizing. Both Iraq and its neighbors have historical reason to be concerned.

Iraq has been at war with its neighbors, the international community, and itself for over fifty years. Even before Saddam Husayn's congenitally aggressive approach to foreign policy, Iraq had been an enthusiastic participant in several of the Arab-Israeli wars, threatened Kuwait with invasion, nearly come to blows with Turkey and Syria over water and the Kurds, and generally been a net liability for regional security.

Of course, Iraq's neighbors have not been passive either and their actions continue to anger and frighten Iraqis. Turkey has regularly sent military forces into Iraq to hunt Turkish Kurds or punish Iraqi Kurds. Syria, Turkey, and Iran manipulate the flow of water to Iraq in ways that imperil Iraqi agriculture, energy production, and even oil exports. Saudi Arabia and Syria have looked the other way when Salafi terrorists have crossed their territory to get to Iraq. In addition to the decades of past strife (including the horrific Iran-Iraq war), even while American military forces have been present in great force in Iraq, the Iranian military has violated Iraqi sovereignty on a number of occasions, shelling Iraqi Kurdistan, seizing an oil well on Iraqi territory, and overflying Iraqi airspace.

In all of these post-Saddam cases, the Iraqi response so far has been moderate and muted. The presence of American troops and aircraft in Iraq undoubtedly contributed greatly to this moderation—Iraqi leaders preoccupied with internal problems were confident that U.S. forces would not permit any large-scale or protracted foreign adventurism in their territory and so didn't feel a need to respond aggressively. In the absence of such a de facto American guarantee of Iraqi state sovereignty, these trespasses could well have triggered exaggerated responses either in the form of conflict on the ground or of attempts to develop conventional military forces capable of repelling the attacks and punishing the perpetrators.

In concrete terms, in the absence of American forces, a fragile Iraqi government might well feel the need to respond forcefully to similar incursions. This has been the tradition in the Middle East, even though it has led to several of the region's most disastrous wars. Many Iraqi military leaders already harbor a disturbing attachment to the Iraqi military of the late 1980s—the Iraqi military that smashed Iran's ground forces and won the Iran-Iraq war. That is the same Iraqi military that threatened Syria and Israel and eventually overran Kuwait. Without an American military presence to reassure them, Iraq's political leaders might feel pressure to demonstrate to the Iraqi people that they can defend themselves. Any attempt to develop armored forces, missile forces, or attack aviation that looked like an effort to rebuild Saddam's army would set off alarm bells throughout the region, possibly stoking a regional arms race.

Consequently, maintaining American military forces nearby Iraq and developing a program of regular military exercises that brought American combat formations to Iraq frequently, would both be of considerable utility. Indeed, the United States should eagerly accept any Iraqi overture that signaled an interest in something like the "Intrinsic Action" exercise program that the United States devised with Kuwait in the 1990s. Under that program, a U.S. battalion task force was continuously present in Kuwait, although no unit was permanently based there.

Conducting Counterterrorism Operations

Assistance with Iraqi counterterrorism operations falls into a similar category. The Iraqis may want American assistance, and if so, that creates leverage. Likewise, it may be useful for the United States to continue to assist Iraq's own CT efforts both as a means of keeping AQI and other Salafist terrorist groups in check and as a way of maintaining some oversight of how the Iraqi government employs its elite counterterror formations. Iraq's highly-trained CT units would be perfect for the Iraqi leadership to employ either as part of a coup, or merely to round up rivals (and brand them terrorists, of course).

Al-Qa'ida in Iraq (AQI) no longer poses an existential threat to Iraq's political stability, but it could serve as a dangerous catalyst that could help push Iraq in the direction of some of the worst scenarios, including renewed civil war. It does not currently pose a significant threat to American interests outside Iraq, but it is still integrated into the regional al-Qa'ida network whose affiliates have attacked or have declared their intention to attack the United States (including al-Qa'ida in the Arabian Peninsula and in Yemen, and al-Shabaab in Somalia). AQI is severely weakened, and it is attempting to regain its footing, but whether it is able to do so will be determined as much if not more so by the course of Iraqi politics than by the successes or failures of the Iraqi Security Forces (ISF).

American Arms Sales to Iraq. It is critical that the United States be willing to provide Iraq with major arms purchases. Ideally, the United States should furnish every aspect of Iraqi military equipment, from mess kits to main battle tanks and everything in between. As long as Iraq desires them (which it currently does) and can afford them (which it eventually will), such arms sales, when provided by the United States, could be inherently stabilizing if managed effectively and in tandem with political reform in Baghdad; it could also help stabilize the region by preventing the emergence of an aggressive Iraq that would pose a threat to its neighbors. In addition, arms sales represent yet another source of influence with the Iraqi leadership since they are items Baghdad greatly desires. Consequently, these sales should be considered from a strategic perspective, not a commercial one and from that perspective, they are not just desirable but critical. Indeed, one of the most important lessons of the Arab Spring and Mubarak's fall has been the tremendous utility American arms sales can have in the Middle East.

As with all American interactions toward Iraq in future, however, Washington's critical consideration when weighing arms sales to Iraq must be their impact on Iraq's domestic politics. Again, such sales can be extremely helpful in this area, as I discuss below. However, they can also be destabilizing if mishandled. Moreover, they too represent a critical element of American leverage with Iraq. In particular, American arms sales to Iraq should be conditioned on continuing improvement (or at least no significant deterioration) in Iraq's civil-military relations. The Iraqi military should understand that Washington's willingness to provide the arms they so desperately want will be possible only to the extent that the ISF stays in its lane and stays out of politics. So too should the government understand that American arms sales—among other things—will be jeopardized by efforts to politicize the ISF. Finally, because the KRG is terrified that the central government will imagine it has a military "solution" to their dispute once the ISF is armed with American tanks and fighter-bombers, Washington must lay down clear red lines to both sides regarding what is permissible. Furthermore, the United States should extract guarantees from the government that it will not invade the Kurdistan region, except perhaps in the highly unlikely event that the Kurds use their own forces to attack other parts of Iraq.

The more that the United States remains Iraq's paramount military partner, the less likely (or even able) the Iraqi armed forces will be to threaten neighboring states. The modern military history of the Arab states makes clear that Arab allies of the United States become completely dependent on the United States and lose the capacity to project power without American support (and therefore approval).[3] Today, Jordan, Egypt, and all of the GCC states coordinate all of their

[3] See, Kenneth M. Pollack, *Arabs at War: Military Effectiveness, 1948-1991* (Lincoln, NE: University of Nebraska Press, 2002).

major, external military activities with the United States. They rarely try to project power beyond their borders because they are effectively unable to do so without American support; a situation deepened by their tendency to buy weapons platforms at the expense of logistics and other support functions. Moreover, on a number of occasions, Washington has been able to prevent its Middle Eastern allies from launching military operations because of these countries' dependence on the United States. Such was not the experience of Arab states who relied on the Soviet Union, China, or other countries for their military support, and today there is little to suggest that Russia, China, or any other country would even try to use their arms sales to head off a war.

For this reason, Washington should welcome Iraq's desire to develop a long-term military-to-military relationship and buy American weaponry. Iraq's generals would like to return to the glory days of 1988-90, but one thing that they do not want to recreate, if they can avoid it, is their reliance on Soviet military hardware. Iraqis have long recognized that Western (particularly American) weaponry is superior, and as such, they have coveted it. Since the fall of Saddam and the Iraqi military's subsequent exposure to the U.S. military, that desire has only grown. It should also be noted that there is not any perception on the part of Iraqi generals and their political counterparts that the United States is forcing them to buy American materiel as payback for America's efforts in rebuilding the country. Rather, the Iraqis want American equipment. By the same token, they are quick to point out that if the United States won't sell them what they want, they will go elsewhere and with their oil money, they will find Russian, Chinese, European, or other sellers.

For their part, Gulf Cooperation Council (GCC) rulers also want to see a close military-to-military relationship continue between the United States and Iraq, coupled with large-scale arms sales. More than anyone else, the GCC states recognize that reliance on American arms and American training and assistance makes their militaries dependent on the United States for logistical support, intelligence, command and control, and a variety of other requirements. GCC officials say quite openly, albeit only in private, that an extensive Iraqi-American arms and security relationship is the best insurance they can get that Iraq will never threaten their countries with its conventional might again.

Moreover, refusing Iraq one of the most important benefits that many other American partners and allies receive will seriously undermine America's ability to influence Iraq in the future. Excluding Iraq from the key security benefits that so many other U.S. allies receive is as clear a statement as America could possibly make that it does not regard Iraq as a partner, let alone an ally, and that Iraq is outside America's sphere of interest. The White House will have no basis to complain when Iraq's leaders make strategic calculations to America's disadvantage if the U.S. has thus explicitly communicated its lack of interest in Iraq's security and, in fact, its belief in Iraq's fundamental unimportance to American security interests.

The one important caveat to this overarching point is cost. Iraq may someday be a very rich country thanks to its oil reserves, which only seem to grow by the day. Today, however, Iraq is a very poor country, with a GDP per capita of only $3,800 (ranking it 159th in the world) and massive budgetary needs compared to the revenues available. Even politically, Iraq's people seem far more interested in investing in their economy than in fancy new weapons.

Consequently, the U.S. interest in preventing domestic political problems means keeping Iraqi military spending from bankrupting the country.

It is worth pointing out that this is yet another reason for the United States to aggressively seek to be Iraq's primary arms supplier. Simply put, no other country is likely to care about Iraq's finances the way that the United States does. Iraq's leadership is determined to buy these big-ticket weapons systems, and they have repeatedly stated that they would buy them from Europe, Russia or China if they cannot get them from the United States. Certainly Russia and China would not care whether Iraq is spending too much on their arms, and European nations may only to the extent that the United States pressures them. Only Washington will urge Iraq to spend less, work with Iraq to spread out its arms purchases over longer stretches of time, and otherwise ensure that defense spending does not come at the cost of financial stability.

Uncharted Waters

If, as seems likely, Iraq gets worse before it gets better, there will be an inevitable American tendency to want to forget it altogether. Already, the American people are turning away from it as quickly as they can, as if to put a bad memory behind them. But Iraq is not the modern equivalent of Vietnam, where we could decide that we had made a mistake to ever be involved and simply end our engagement with no real harm to our interests. Until the global economy kicks its dangerous addiction to oil, Iraq will matter a great deal to us and to our trading partners.

It is for this reason that the future seems so fretful to Americans who dare to buck the tide and remember our vital national interests in Iraq. Iraq is about to undergo a major transition and there is little to suggest it is ready for it—or at least, ready to handle it well. But that transition will take place now whether we want it to or not. If we are willing to make some investment of time, of energy and even some resources, there is still reason to believe that we can continue to provide some much need support for Iraq in finding the right path.

For that reason, it is worth ending on the topic of resources. Facing record debt, painful unemployment, and the need to address structural problems in our economy, there is no question that the United States must make a major effort to get its own house in order. At a time when the American public—and the long-term welfare of the nation—cry out for massive cuts in government spending it is hard to justify spending on aid to foreign lands, especially lands like Iraq, that have come to be associated with painful memory. However, this would be the worst thing that we could do. No one could suggest spending tens of billions, let alone hundreds of billions, of dollars on Iraq any more. But a few billions of dollars could have a dramatic impact on a country like Iraq (or Egypt, for that matter) and would have no impact at all on America's financial circumstances. Saving a few billion dollars on Iraq is meaningless when the national debt has reached $12 trillion. It is a way that we are often penny wise and pound foolish.

Dealing with our fiscal problems is going to mean tackling the core financial problems facing the United States: entitlements, revenues, taxes and welfare. Foreign aid is a few pebbles at the foot of a mountain. Eliminating it will do nothing to significantly address the problems, except to create new problems for America overseas. Then, inevitably, those problems will fester and expand and at some later date they will come to plague. And then, it will require vast

expenditures to beat back the problem and we will wish that we had not nickel and dimed the problem back when it was manageable.

Such is the case with Iraq. There is still reason to believe that the country can be salvaged, and real reason to believe that American assistance could be crucial to its course. Now is not the time to shave slivers off the deficit heedless of the problems we could be creating for ourselves in the years ahead.