



Iraq Ten Years On

Edited by Claire Spencer, Jane Kinninmont and Omar Sirri

May 2013



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More information on Chatham House's current Iraq work can be found at:
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Executive Summary

Iraq has historically been one of the cultural, religious and political centres of the Middle East, but today it is in a severely weakened state, and its voice is virtually absent from the regional political debate. Ten years ago, Iraq was at the centre of US-led efforts to reshape the Middle East. The decision to overthrow Saddam Hussein was fiercely contested because it was also intended to be a catalyst for change in the region. Narratives of the developments since then remain extremely polarized, precisely because events in Iraq have had immense significance for the wider region. Iraq's internal changes tend to resonate beyond its borders, and the shift to elected governments, the empowerment of new political elites (particularly from the Shia majority), the formalization of Kurdish regional autonomy, and the factional and sometimes sectarian violence have all had a destabilizing effect on the regional status quo.

Today, Iraq is almost neglected by Western policy-makers who are now preoccupied with new dynamics of change – chiefly the Arab uprisings, Syria and Iran. However, this is short-sighted. Iraq remains a geostrategically central country in the Arab world. Understanding its current and future political direction is critical to understanding wider regional developments. Moreover, a deepening of Iraq's current political crisis will have negative reverberations beyond its borders.

This report brings together a variety of perspectives on the state of Iraq ten years after the US-led invasion in 2003 and sets out some possible scenarios for the country's future. It begins with an overview of the political changes that have been under way since the invasion, with a focus on conflict and political violence, the debate over the nation-state and the dynamics of a political transition weighed down by the legacies of dictatorship and occupation. The report goes on to discuss Iraq's domestic politics, foreign policy and relations with regional and international powers, as well as the impact that the regime change has had on perceptions of democracy, Middle Eastern authoritarianism and the role of Western intervention in the region.

Domestic politics

Iraq has undergone a transition from a purely authoritarian system to one with an elected government. However, the levers of power that were established by the previous regime – characterized in a 2003 Chatham House report as organized violence, oil-funded state patronage and the use of communal differences for 'divide and rule' strategies – remain crucial factors in the country's politics.

The thinking of the new political elite has been partly shaped by the experience of decades of opposition and exile. The feeling of victimhood, combined with the reality of political power in a system accustomed to patterns of authoritarianism and violence, can be a dangerous combination.

The centralisation of power in the hands of the prime minister, Nouri al-Maliki, was welcomed by his supporters as a response to the need for greater security after the civil war of 2006–07. Conversely, for his opponents, security from the government is a primary concern, along with fears that the elected government is exhibiting increasingly authoritarian tendencies. Amid an ongoing crisis over power-sharing, violence has been rising, with at least 547 civilians killed in political violence in April 2013.

A political dynamic marked by brinkmanship and zero-sum thinking helps politicians score symbolic victories but also contributes to disaffection with a political class that is still failing to deliver in many areas of basic services. An ongoing renegotiation of how the new state will operate politically and how it interacts with society has taken the focus of politics away from finding solutions to the country's daily ills.

Considering the sheer magnitude of communal violence intermittently witnessed over the past ten years, Iraqi nationalism has proved remarkably resilient. However, while the vast majority of Arab Iraqis, whatever their political and religious persuasion, maintain a belief in the nationstate, there is little agreement on what that belief entails. The content of Iraqi nationalism remains uncertain.

This helps to explain why Iraq is struggling to make the transition from a model of power-sharing between different ethnosectarian communities to a majoritarian system. The fear of the 'tyranny of the majority' is high at a time when these communities are still plagued by memories of their respective experiences of persecution, living in the spectre of civil war and conditioned by a decade of power-sharing politics.

Islamist political parties and extremist groups remain a dominant feature, representing political and sectarian demands in an unstable and violent political environment. Furthermore, they represent the importance of asserting an 'Islamic' identity and values for many in Iraqi society. The struggle for power is not conducted along neat Shia versus Sunni or Islamist versus secular dividing lines. However, issues of identity, rights and interests have often found sectarian expression in a period of upheaval and transition. One of the most dramatic changes has been the emergence of the Kurdistan Regional Government (KRG) as a political entity with strong economic ties to neighbouring Turkey. The disputes between Baghdad and the KRG, which come down to basic questions about national identity as well as the options for structuring state power between the centre and the regions, have emerged as problems of vital interest for the Kurds, for Iraq and for the wider region.

Economic development has been constrained by the difficulties in establishing an adequate rule of law. Hundreds of billions of dollars have been spent, mainly from US and Iraqi government coffers, on rebuilding the country in the aftermath of the 2003 invasion and the preceding two decades of war and sanctions. However, an estimated 60 per cent of Iraqi households lack one of the three essential infrastructure services of safe drinking water, sanitation or access to 12 hours per day of electricity supply – while corruption and violence continue to constrain investment. Hydrocarbons hold the key to financing Iraq's reconstruction and modernization; they also provide the potential trigger for its next conflagration. The KRG is seeking to create an independent export structure, which will strengthen its bargaining position with Baghdad but could also potentially take tensions between the centre and the periphery to breaking point.

International relations

Iraq's primary foreign policy preoccupation has been re-establishing sovereignty, negotiating an end to the US occupation and seeking to end the country's UN Chapter VII status. However, factional divisions and the perceived weakness of state institutions mean there are significant incentives for neighbouring states to seek to influence the foreign and domestic policies of a country that has always had a major impact in the region.

Iran is undoubtedly the most influential external player in domestic Iraqi affairs, though not the only one. For its part, Iraq wants to balance its relations with Tehran and its partnership with the United States while maximizing its autonomy from both. Navigating this complex combination of alliances places Iraqi decision-makers in an uncomfortable position, not least over Syria.

Oil wealth will also become a game changer for Iraqi–Iranian relations. As Iraq becomes a more assertive player in OPEC and the region, there may be a fundamental shift in the balance of power between the two countries, which today is largely in Iran's favour.

Iraq's Gulf Arab neighbours see it primarily through the filters of their own concerns about Iranian influence in the region. This has generated a self-fulfilling cycle as the Gulf states' reluctance to increase their political and economic engagement with the country enabled Iran to take the lead in many reconstruction and development projects.

The Iraq war has had a mixed effect on Arab oppositions. Many resented the foreign military intervention and were sceptical about its motives. Meanwhile authoritarian and conservative forces across the region have pointed to the violence in Iraq as a justification for continued authoritarian rule, seeking to equate democracy with chaos. But ten years on, the Arab uprisings have indicated that these arguments against democracy are not enough; a new generation of opposition movements is seeking to oppose both authoritarianism and Western intervention, and to sketch out a more democratic style of post-colonial self-determination.

Meanwhile, the difficulties the US-led coalition encountered in Iraq, and the civil violence that flared in 2006–07, led Western policy-makers to turn away from the rhetoric of democracy that had emerged in the aftermath of 9/11, so that by 2007 there was a return to a self-interested realism in which they re-engaged with authoritarian leaders across the region. Libya was a prime example of this trend. Against this backdrop, Western governments were entirely unprepared for the new wave of pro-democracy movements that started in 2011.

Much of the 'ten years on' debate in the West has revolved around an examination of the flawed intelligence and questionable decision-making in the run-up to the invasion. In the United States, the debate about whether the war was worth it is taking place at a time when budgets are being cut and the administration is attempting to re-balance US foreign policy priorities more towards Asia. There is less appetite for overt international power projection in a Middle East where the costs of engagement are relatively high and the direct benefits not always clear.

In the United Kingdom, with the outcome of the fifth (Chilcot) inquiry into the circumstances leading up to the country's involvement in Iraq still pending, the debate over the legal, political and ethical rights and wrongs of the invasion is still highly topical. Its shadow hangs heavily over considerations of how even limited international action in Syria might be conceived.

Among the arguments that were made by some in the West for the invasion in 2003 was the idea that toppling the regime of Saddam Hussein would remove an obstacle to progress in the Israeli–Palestinian peace process. This never materialized and the hope is now barely remembered. For Israel, in a region that is not bereft of potential enemies, Iran has replaced Iraq as the major strategic threat. Meanwhile, Israel’s policy on the Palestinian issue leaves a peace agreement based on the two-state solution no more than a remote possibility at best.

Possible futures

Looking forward to the possible future scenarios for Iraqi politics, the key variables appear to be the evolution of the conflict in Syria and how far already divided Iraqi factions allow this to deepen their own internal splits; the extent to which relations between ethno-sectarian groups are characterized by strife, greater harmony, or overtaken by intra-group divisions; the role and effectiveness of Al-Qaeda and other takfiri-jihadi groups; and whether internal civil unrest is resolved peacefully or develops into more violent clashes.

Three main scenarios are laid out in the final section of this report:

- **Syria’s conflict becomes the main driver of political trends in Iraq** as Iraqi factions take increasingly polarized positions on Syria and pursue diametrically opposed policies in supporting the warring sides with money and fighters. Belief in the viability of the nationstate declines as the fragmentation of Syria threatens to unravel borders more widely in the Levant, triggering new ethno-sectarian separatist movements.
- **Iraq becomes more resilient**, resisting efforts by Al-Qaeda and others to exacerbate sectarian tensions, and hedging its bets on Syria. Some political resilience comes from a shared interest in avoiding a return to civil war, still fresh in the memory. The ruling party comes to an accommodation with opposition groups and takes steps to address some of the socio-economic concerns voiced by protestors in western Iraq.
- **Iraqis remain fractious and disunited.** The spillover impact of Syria is contained and, while creating problems, is not a primary driver of Iraqi domestic politics. But factions continue to place more trust in external powers than in some of their compatriots and politics continues to be heavily influenced by the agendas of competing regional powers, especially Iran, Saudi Arabia and Turkey.

Although Iraq embarked on a political transition ten years ago, it is by no means exempt from the demographic, political and economic drivers that underlay the Arab uprisings: a bulging youth population with few job prospects, dissatisfaction with cronyism in politics and business, disaffection with the political elite and rapid growth in communications technology. Over time it will become harder for the political elite to blame the legacy of dictatorship, sanctions and war for the country’s problems.

Iraq may also be able to forge new links with the Arab transition countries now that more elected governments are coming into existence in the region. Relations with these countries will not be marred by the fear that they are seeking to undermine a democratic experiment. But it is as yet unclear to what extent future regional interactions, including Iraq’s relations with the rest of the Middle East, will be defined by competitive ethno-sectarian identity politics or by the sense of common aspirations that was articulated in the early days of the Arab uprisings.

1 Introduction

Iraq has historically been one of the cultural, religious and political centres of the Middle East: the source of huge contributions to the region's history, culture, scientific knowledge and religious heritage; home to one of the world's first universities and the centre of Shia Muslim theology; and, more recently, one of the world's most important energy producers and the fourth most populous country in the Arab world.¹ Ten years on from the 2003 invasion, this traditional focal point for Middle Eastern history and politics is in a severely weakened state. Its voice is virtually absent from the regional political debate.

While in 2003 Iraq was at the centre of fiercely contested US-led efforts to reshape the Middle East, the country today is almost neglected by Western policy-makers who are now preoccupied with the Arab uprisings, Syria and Iran. Yet the developments of the last decade in Iraq have reverberated across the region, and understanding the future political direction of this geostrategically central country will continue to be critical to understanding a host of regional issues, from perceptions of Arab democracy and the role of political Islam, to the risks of transnational conflict and sectarian polarization, the competing forces that challenge or uphold the existing system of states in the Middle East, the perception of the role of international powers in the region, and the future of world energy supplies.

Conflict and political violence

Iraq is unusual in having been involved in three inter-state conflicts in the past three decades, in an age where most conflicts involve non-state actors. Iraq has had the latter kind of conflict too, falling into a civil war in 2006–07, by the generally accepted definition of more than 1,000 deaths in a civil conflict involving both the central government and rival groups. The UN High Commissioner for Refugees (UNHCR) estimates there are 1.5 million Iraqi refugees overseas and 1.2 million internally displaced people in the country.²

The post-invasion violence reflected not only an anti-occupation insurgency, but a wider competition for power in the territory of a state that had lost its monopoly on the use of force. After the invasion and the disbanding of most of the former regime's security forces, militias filled an immediate security void. For many Iraqis they appeared a more reliable means to ensuring political power than relying on untested and contested processes of peaceful political representation. Even the United States and United Kingdom struck tactical partnerships with different militias for intelligence and counterinsurgency operations.³

1 Iraq's population was 33 million in 2011.

2 United Nations High Commission for Refugees, '2013 UNHCR Country Operations Profile – Iraq', <http://www.unhcr.org/pages/49e486426.html>.

3 Anthony J. Schwarz, 'Iraq's Militias: The True Threat to Coalition Success in Iraq', *Parameters*, Vol. 37, 2007, <http://www.carlisle.army.mil/USAWC/parameters/Articles/07spring/schwarz.pdf>; and Hayder al-Khoei, 'Leaving Basra To The Bandits', *openDemocracy*, 31 May 2011, <http://www.opendemocracy.net/opensecurity/hayder-al-khoei/leaving-basra-to-bandits>.

The development of incentives for political violence, and the process of eroding the state's monopoly on violence, began well before 2003.⁴ Under the previous regime, violence had been a key element of Iraqi politics both externally, in the war with Iran (which was strongly supported by Gulf and Western countries, though costing more than a million Iraqi and Iranian lives) and the invasion of Kuwait, and internally, in the genocidal Anfal campaign against the Kurds that began in 1988, and the crushing of the largely Shia and Kurdish uprising of 1991, which, combined, killed hundreds of thousands of Iraqis. From 1991 to 2003, Iraq was also at the centre of the most onerous and wide-ranging regime of international sanctions that the world has ever known, which were again responsible for hundreds of thousands of deaths, and perhaps more.⁵ The black-market economy that developed during this period, and the notorious corruption around the oil-for-food programme, fostered violent criminal networks that survived – and often grew stronger after – the overthrow of the regime. While Iraq's national resource wealth should be an asset, the possibility of earning large rents from the control and smuggling of oil has increased the stakes in the violent competition for and consolidation of political power.

Even the estimates of the numbers of Iraqi deaths since 2003 have become the subject of political contestation in the absence of solid and reliable data. The latter is itself a symptom of the weakening of state capacity as a result of war and sanctions, as well as the tendency of governments and media from the countries that participated in the invasion to focus on their own interests and their own dead. The records compiled by Iraq Body Count (IBC), the largest publicly available database of recorded civilian deaths, suggest that between 112,000 and 134,757 Iraqi civilians died from violence between March 2003 and April 2013.⁶ According to these figures, which are based on the longest-running and most transparent available study and do not claim to offer a comprehensive estimate, the number of recorded deaths fell from an average of 80 per day in 2006 to an average of 12 per day in 2012. Other studies have provided higher estimates, ranging from an Iraqi government survey⁷ supported by the World Health Organization in 2008, which estimated that 151,000 people had died in violence between March 2003 and June 2006, to the study by John Burnham et al.,⁸ published in *The Lancet* in 2006, which estimated just over 600,000 people had died in post-invasion violence up until July 2006. The debate over research methods has become rife with accusations of political bias.

The vast majority of recorded casualties have been Iraqi civilians. The IBC records show Iraqi civilian deaths as 25 times the number of coalition military deaths. While initially the coalition forces were responsible for the majority of deaths, these came to be outnumbered by the death toll of the subsequent civil conflict, which peaked in 2006–07. Iraq has been able to reduce violence since then, and, so far, to avoid the worst fears of a civil war lasting many years – but the consolidation of the central government's power, and its uneven approach towards different militias, has been a controversial and divisive process and there are still fears of a fresh civil conflict, especially given the risks of overspill from Syria.

4 This is explored in greater depth in Toby Dodge, *Iraq: From War to a New Authoritarianism* (Routledge, 2012), pp. 31–33.

5 Credible estimates suggest at least 350,000 and possibly more than half a million children died owing to the privations of sanctions. For a summary of some of the estimates and controversies over the data, see David Cortright, 'A Hard Look at Iraq Sanctions', *The Nation*, 3 December 2001, <http://www.globalpolicy.org/component/content/article/170/42275.html>.

6 Iraq Body Count, <http://www.iraqbodycount.org/>. IBC data draw on cross-checked media reports, hospital, morgue, NGO and official figures for non-combatants killed by military or paramilitary forces 'and the breakdown in civil security following the invasion'.

7 Iraq Family Health Survey Study Group, 'Violence-related Mortality in Iraq from 2002–2006', *New England Journal of Medicine*, 31 January 2008.

8 Gilbert Burnham, Riyadh Lafta, Shannon Doocy and Les Roberts, 'Mortality after the 2003 Invasion of Iraq: A Cross-sectional Cluster Sample Survey', *The Lancet*, Vol. 368, Issue 9545, 21 October 2006.

Much of the political violence in Iraq has been along sectarian lines, especially in 2006–07, when an attack on the Al ‘Askari Mosque in Samarra was followed by attacks on Sunni mosques and ethnic cleansing of areas of Baghdad. However, an emphasis on sectarianism risks obscuring the intra-sectarian violence that has also taken place among both Sunni and Shia Arabs, with fierce political, ideological and personal rivalries existing within both groups. Nearly half of the recorded deaths have been in Baghdad.⁹ However, in relation to the size of the population, the highest number of casualties has been in three provinces across Iraq’s central belt: Diyala (home to Baqubah, where former Al-Qaeda in Iraq leader Abu Musab al-Zarqawi was killed in a US airstrike in June 2006), Anbar (which includes the provincial capital Ramadi, Fallujah and Haditha, and borders Syria, Jordan and Saudi Arabia), and Salahaddin, with less violence in the south and markedly less violence in northern Iraq. The three northern provinces comprising the Iraqi Kurdistan Region have a regional government, the Kurdistan Regional Government (KRG), their own more unified security forces, the *peshmerga*, and significant autonomy since 1991, prefigured by an earlier phase of autonomy that began in 1974. The tensions facing the KRG have primarily been with the central government over the three key issues of disputed territories, the right to sign contracts with international oil companies and the command of the *peshmerga*. Intra-Kurdish disputes between the two well-established parties, the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK), and the recent challenge by an emerging third party, Goran, today play out through politics and patronage rather than violence – though the KDP and PUK fought their own civil war from 1994 to 1997.

The future risk of political violence in Iraq will depend not only on the government’s success in reining in militias and strengthening the security forces, but on the perceived utility and effectiveness of participation in peaceful political processes, from elections to protests.

Remaking the political and economic system

Transitions away from authoritarian rule can take place at various levels, from a change of leadership (as seen in Yemen), to a rotation of elites (as seen in the first stage of the Egyptian revolution, with attempts to rein in the power of the military in politics being a slower and more gradual effort), to more systemic and radical changes to the political and economic structures of the state (as seen in Libya), to deeper changes in patterns of thinking and behaviour (still a work in progress in all the Arab transition countries). The US-led coalition sought to radically remake the Iraqi state, with the aim of rapidly turning an authoritarian statist system into a free-market democracy. While elections have been introduced – and two post-invasion prime ministers have already been voted out of office – the consolidation of democracy is still distant. Belief in violence as a means of attaining power still bedevils the political system. The composition of the political elite is still affected by the legacy of the appointments made by the US Coalition Provisional Authority (CPA) to the Iraqi Governing Council, introduced in mid-2003. The value of Iraq’s system of power-sharing and the extent to which it either contains or entrenches ethno-sectarian identities have been hotly debated (see Chapter 4).

Arguments over the constitution remain a source of political disputes. While Egypt, Tunisia and Libya have wrangled with themselves over the timetable for drafting and ratifying new constitutions, the experience of Iraq highlights the drawbacks of squeezing this process into a

9 Based on Iraq Body Count figures.

tight timeframe. For the sake of apparent consensus, and under pressure from coalition countries, key areas of the constitution were left in a state of what negotiators like to call ‘constructive ambiguity’. While this helped to secure an agreement quickly, it also laid the ground for future disputes in which the different parties contend that their own position is entirely justified by the constitution, notably the disputes over the proposed oil investment law and disagreements over the powers of the prime minister.¹⁰ The decision by many Sunni leaders to boycott the January 2005 elections for the Transitional National Assembly, from which the constitution-drafting committee was largely drawn, also meant key Sunni political factions were neither invested in nor felt represented by the document.¹¹ As the Arab uprising countries are now experiencing, transitional governments face a dilemma whereby a government and a constitutional agreement are seen as necessary groundwork for more far-reaching reforms, but achieving consensual buy-in is often a slow and gradual process, and exercising purely majoritarian politics may be a more tempting option. Yet without the consensus and legitimacy that are rarely brought about by elections alone, fledgling governments often struggle to act conclusively, except perhaps to defend and consolidate themselves.

Meanwhile, efforts by the coalition to bring about economic ‘shock therapy’, in a country where both industry and consumers were overwhelmingly dependent on the state, quickly ran into difficulties. Plans by the CPA to privatize Iraq’s state-owned industries – which were of course incapable of competing internationally after years of sanctions – and to cut the food and fuel subsidies on which millions of Iraqis depended, were opposed by the Iraqi Governing Council and never really implemented. However, the CPA introduced 100 per cent foreign ownership in all sectors except oil and real estate, capped tax at 15 per cent, capped tariffs at 5 per cent (making Iraq far more open to imports than the United States is), opened up to foreign banks, and introduced a regulatory framework for the banking sector. Iraq also launched a bid to join the World Trade Organization in 2004.

One of the problems with the design of coalition policy towards Iraq’s economy is that the structure of an economy that had been closed to the outside world for more than a decade and had developed a huge black market was neither well understood nor well documented by data – something that remains a concern, albeit to a lesser extent, in some other Arab transition countries, such as Yemen, where GDP statistics are estimated to capture only around half of economic activity. Nor was there much regard for the existing infrastructure and knowledge base within Iraq; the failure to prevent massive looting immediately after the invasion was subsequently estimated by one coalition official to have tripled the cost of reconstruction.¹²

The viability of the nation-state

There have been many predictions since 2003 that Iraq would break up, based on the view that it is an ‘artificial’ state created by the British out of three provinces of the Ottoman Empire (Baghdad, Basra and Mosul) in 1920, and that the main conflicts and contentious issues in the country are

10 See Zaid Al Ali, ‘Ten Years of Hubris and Incompetence’, openDemocracy, 22 March 2013, <http://www.opendemocracy.net/zaid-al-ali/iraq-ten-years-of-hubris-and-incompetence>.

11 See International Crisis Group, *The Next Iraqi War? Sectarianism and Civil Conflict*, February 2006, pp. 12–13, http://www.crisisgroup.org/~media/Files/Middle%20East%20North%20Africa/Iraq%20Syria%20Lebanon/Iraq/52_the_next_iraqi_war_sectarianism_and_civil_conflict.pdf.

12 Anne Ellen Henderson, *The Coalition Provisional Authority's Experience with Economic Reconstruction in Iraq: Lessons Identified*, United States Institute of Peace, April 2005.

between different ethno-sectarian communities.¹³ The current US Vice-President, Joe Biden, argued in 2006 that Iraq could benefit from a confederation along ethno-sectarian lines inspired partly by the Dayton Accords for the former Yugoslavia. This unfortunately fed into a common anti-imperialist narrative that outside powers seek to divide the Arab world into statelets in order to weaken it, a narrative that has drawn on the 1916 Sykes-Picot agreement¹⁴ to divide up the former territories of the Ottoman Empire, the creation of the state of Israel and most recently the partition of Sudan. But the 'Biden plan' has lost momentum, both because of Iraqi opposition and because of the downturn in violence after 2007.

This argument about state 'artificiality' can be exaggerated,¹⁵ ignoring the fact that in Western Europe, too, borders were often defined in the latter half of the twentieth century, and that serious separatist movements still exist – though the presumed impact of successful separatism, such as a 'yes' vote in Scotland's planned 2014 referendum on independence, is partly moderated by the existence of the European Union and the expectation that the ability of people and goods to move across borders would not be greatly impeded by the redrawing of borders within that union.

In the past decade, the Middle Eastern state system has largely sought to contain any centrifugal pressures in Iraq, on the basis that the breakup of that country into ethnic or sectarian statelets would be likely to unleash pressures for fragmentation in other states, too, all of which have ethnically and religiously mixed populations. The clearest example is Turkey's efforts to give the Iraqi Kurds a stake in maintaining the existing state system, in which they have both political autonomy and economic success, rather than challenging it by seeking a Greater Kurdistan.

Still, the question of Kurdish independence is the main challenge to the future unity of the Iraqi state. Support for separatism in Arab Sunni provinces is far less pronounced and for the most part Sunni political movements have sought a greater say in the existing nation-state. Factors that may encourage continued adherence to an Iraqi nation-state are the oil revenue-sharing mechanisms in the constitution (even the Kurdish region is at present a net beneficiary of these, and most oil production is concentrated in the south) and the desire to remain connected to the capital, Baghdad.

Transition, legacy, blame and revenge

The legacy of the years of dictatorship and sanctions is still being felt in Iraq today. So too is the negative impact of regional opposition to the regime change. Several of Iraq's neighbours – Saudi Arabia in particular – have struggled to engage with the new regime, alarmed by the instability they see in Iraq, the loss of a pillar of the old Arab authoritarian order and the empowerment of largely Shia parties that they see as beholden to Iran – an anxiety encapsulated in the warning by King Abdullah II of Jordan in 2004 about a 'Shia Crescent' emerging in the region (see Chapter 13 for more on Gulf attitudes to Iraq). But the new political elite is also showing a worrying

13 This widely held view can obscure the existence of significant conflict and violence between factions that belong to the same religious or ethnic group. A counter-view is articulated in Eric Davis, 'Pensée 3: A Sectarian Middle East?', *International Journal of Middle East Studies*, Vol. 40 (2008), pp. 555–58.

14 See BBC Key Documents, 'The Sykes-Picot Agreement', 29 November 2001. 'The Sykes-Picot agreement is a secret understanding concluded in May 1916, during World War I, between Great Britain and France, with the assent of Russia, for the dismemberment of the Ottoman Empire. The agreement led to the division of Turkish-held Syria, Iraq, Lebanon, and Palestine into various French and British-administered areas. The agreement took its name from its negotiators, Sir Mark Sykes of Britain and Georges Picot of France!' http://news.bbc.co.uk/1/hi/in_depth/middle_east/2001/israel_and_the_palestinians/key_documents/1681362.stm.

15 Counter-arguments can be found in, for instance, Reidar Visser, 'Historical Myths of a Divided Iraq', *Survival*, Vol. 50, No. 2 (2008), pp. 95–106.

inclination to blame internal problems on a combination of regional conspiracies and the bad legacy they inherited. This is evident in the government's tendency to blame protests in northern Iraq on Baathists and jihadists funded by the Gulf states, rather than addressing local grievances – a recurring theme in all of the Arab countries that have faced uprisings and protests since 2011.

The transition of Iraq's new rulers from opposition to government is only partially complete. The thinking of the new political elite has been partly shaped by the experience of decades of opposition and exile. The feeling of victimhood, combined with the reality of political power in a system accustomed to patterns of authoritarianism and violence, can be a dangerous combination. When confronted with questions about torture or political assassinations, officials say that, if these problems exist, they cannot be systematic; they struggle to come to terms with the idea that they, the victims, could be repeating patterns of oppression. Meanwhile, their opponents label them the new authoritarians, in a clash of what Fanar Haddad describes in Chapter 4 as 'competing victimhoods'.

Prime Minister Nouri al-Maliki's government has taken steps to rein in militias through a combination of fighting, pursuing, assimilating and accommodating them. This varied approach has raised charges of double standards, and in particular the death sentence passed in 2012 against the Sunni former vice-president, Tariq al-Hashemi, on charges of running death squads has fed into perceptions of sectarian discrimination. Sustained programmes for disarmament, demobilization and rehabilitation, transitional justice or national reconciliation have been lacking.

The prime minister's supporters see the central government's consolidation of power as a response to public demands for greater security. Conversely, for those opposed to the leadership, a primary concern is security from the government, or from elements of the state that are identified with specific political factions. This is no abstract concern, but comes in a context where sectarian death squads have at times been able to operate within organs of the state, notoriously including the police and security services in 2005–06.¹⁶

International relations

Iraq's regional relationships and foreign policy stances remain the subject of significant divisions between factions, as explored in some detail below (see Chapters 11 and 12). One of the major reversals since the regime change is that Iraq's government is now seen by some of its Sunni neighbours as a political proxy of Iran. Western governments are more likely to see the Maliki government as having a confluence of interests with Iran in a number of pressing strategic areas, including the desire to end US occupation, the fear that regime change in Syria will empower hostile forces (see Chapter 12), and opposition to sanctions on both Syria and Iran. This difference of perceptions is a source of some tension between the United States and those of its regional allies who opposed the invasion of Iraq. It has even given rise to a conspiracy theory, in some quarters in the Gulf, that the apparent tensions between the United States and Iran are all a clever façade

16 Notably, between 2005 and 2006, police commando units carried out political and sectarian killings, led by members of a Shia militia, the Badr Brigades, and also involving members of the Jaish al-Mahdi. Even after the then interior minister, Bayan Jabr, was removed from his post, he remained a senior figure in the government, becoming finance minister. This contrasts with the recent treatment of former vice-president Tariq al-Hashemi, head of Iraq's Muslim Brotherhood, now exiled in Turkey after a death sentence was passed against him in 2012. On corruption and violence in the Sadrist-run health ministry in the same period, see Ali al-Saffar, 'Iraq's Elected Criminals', *Foreign Policy*, 4 March 2010, http://www.foreignpolicy.com/articles/2010/03/04/iraqs_elected_criminals.

to hide their secret collaboration. Ultimately the question of how independent Iraq's government can be from Iran on issues of major strategic importance has not been tested, and may not be tested in the near future. Nevertheless, interests may diverge over time as Iraq becomes by far the larger oil producer (having already overtaken sanctions-hit Iran in 2012) and eventually seeks to play more of a regional role.

Iraq's relations with Turkey have only relatively recently become the subject of factional contestation. Turkey is a naturally important market and source of investment for Iraq; its \$10 billion-worth of trade with Iraq recently surpassed the value of trade between Iran and Iraq, worth \$8 billion. However, there is also a long-term risk of tension over water resources. Since the onset of the Arab uprisings in 2011, relations between Iraq and Turkey have deteriorated. Again, this appears to reflect Iraq's internal politics more than a deliberate foreign policy: Turkey was profoundly alienated by the death sentence against al-Hashemi, who has since found refuge in Turkey. From the point of view of the Baghdad government, Turkey's interests are increasingly clashing with those of Iraq since it has joined Saudi Arabia and Qatar in proactively supporting regime change in Syria. This is viewed by Baghdad as a stance with sectarian rather than pro-democracy motivations.

Iraq's relations with the West are explored in more detail in Chapters 14,15, 17 and 18. In Western analysis around the tenth anniversary of the invasion, the mood is generally pessimistic. After the over-optimism and unrealistic ambitions that characterized policy thinking in the United States, in particular in 2003, there may today be a risk of a zero-sum approach to analysis where views of Iraq today are still closely connected to earlier positions on the war, without much nuance or much memory of the pre-invasion problems, for which Western policy also bears much responsibility.

The final chapter suggests possible scenarios for Iraq's future, as seen by a variety of contributors to this report.

2 Iraq Analysis: Then and Now

Claire Spencer

Revisiting the analysis that was offered at the time of the invasion of Iraq can shed light on the processes and thinking that underlie policy-making in the United States and Europe today. Ten years on from the invasion and occupation of Iraq by allied international forces, the analysis of 2003–04 may seem like so much water under the bridge. However, since much of the current debate over international reactions to the crisis in Syria links back to the circumstances and outcome of that invasion, a brief examination of the assumptions underlying the analysis at that time may help explain how current policy debates are structured, given what has emerged since.

Much of the academic and public debate focused on the challenges that were deemed likely to emerge both during and after the invasion. Some of the predictions, including that the use of force would prove extremely polarizing¹⁷ and that the United States would struggle to understand Iraq's complex society, proved to be correct. Others were not, including the widely held view that the Iraqi army would put up a prolonged fight, or that Iraq would necessarily disintegrate into three parts (roughly equating to the Sunni, Shia and Kurdish communities).

Some of the more woeful consequences foreseen for Iraq's neighbours were certainly witnessed in the flows of Iraqi refugees into neighbouring states, above all Syria and Jordan, where many still remain. In other respects, the symbolic vulnerability of Saddam Hussein's regime, previously seen – rightly – as one of the most brutally repressive in the Middle East, may well have had a longer-term impact in inspiring the popular protest movement seen in Iran in 2009 and more broadly across the Arab societies of the Middle East and North Africa since 2011, but this was not apparent in the first few years. The consequences for Iran have in fact been mixed: rather than being further isolated by a US-backed government in Baghdad, as a number of early analyses foresaw, the full extent of Iranian influence in Iraq and the wider region has been widely debated ever since the invasion. That Iran's leaders currently enjoy good relations with a Shia-majority government in Baghdad that is by no means in thrall to US influence is not in doubt; how much they directly control developments in Iraq, above the religious autonomy of the country's Shia clerical establishment, is much more questionable.

With the outcome of the fifth (Chilcot) inquiry into the circumstances leading up to the United Kingdom's involvement in Iraq still pending, the debate over the rights and wrongs of the invasion is still highly topical. In the interim, a peculiarly British obsession with going over old ground seems to have led to the conclusion that the British role in Iraq was at best a cautionary tale of Western involvement in the conflicts of the Middle East, and at worst an unmitigated disaster. The core of the debate focuses on whether the invasion and the United Kingdom's role in it were justified legally as well as morally, and whether they improved the prospects for Iraq and the Iraqis recovering from

¹⁷ See, for instance, Charles Tripp, 'Three Costly Lessons from the Invasion of Iraq', *The World Today*, March 2013.

the long tyranny of Saddam Hussein's rule. A discussion of 'lessons learnt' might benefit from a closer scrutiny of *how* these issues were addressed then, as well as what they portended, especially since the outcomes and consequences envisaged in 2003–04 were mapped out less than a decade before the more recent developments associated with the 'Arab Spring' or uprisings of 2011.

It is tempting in the 'Arab Spring' context to speculate, as did one participant at Chatham House's 'Iraq Ten Years On' anniversary conference,¹⁸ over what Iraqi reactions to the Arab Spring might have been had Saddam still been in power in early 2011. Like most counter-factuals, the exercise is too fraught with variables to assess whether Iraqis might have mustered and maintained sufficient national unity to bring the Ba'athist regime down on their own. Clear parallels with the situation in Syria spring to mind, however: the impediments (material as well as political) to the replication in Syria of the NATO-led mission to Libya in 2011 also relate to the very changed set of international circumstances that coalesced around, or more precisely failed to stand in the way of, the 2003 intervention. Since 2011, the cautionary examples set by the rapid fall of Presidents Zine El Abidine Ben Ali of Tunisia and Hosni Mubarak of Egypt, and the grim fate that awaited Muammar Gaddafi in Libya, may well have strengthened the Assad regime's resolve to use overwhelming force against its opponents rather than allowing itself to be seduced into the path of weakness implied by negotiations or a political solution. The shadow of Iraq in 2003 nevertheless hangs heavily over considerations, both in Syria and internationally, of how far even limited international action in that country might be conceived, including in planning for how it would end as well as begin.

In February 2003 and September 2004, Chatham House's Middle East Programme and associated contributors published two Briefing Papers on Iraq. The first, *Iraq: The Regional Fallout*, appeared a month before the invasion, and the second, *Iraq in Transition: Vortex or Catalyst?*, three months after the handover of power from the Coalition Provisional Authority (set up by the United States following the fall of Saddam Hussein) to the Iraqi Interim Government (IIG) in June 2004.¹⁹ The first paper set out what the contributors foresaw as the consequences of the imminent invasion, and the second considered the potential scenarios facing Iraq and the immediate region in its aftermath. The forward timeframe in 2004 was the 18-month transition period envisaged for the IIG to assert its control over the country and prepare for what, in the event, became a delayed process of democratic elections.

Most papers of this kind aim to inform debate and influence policy-making over the short to medium term. Once the train of 'real-time' regional developments moves on, a new set of reflections and analyses supersedes the assessments that came before, and with it the thinking that shaped the previous output. Rarely is the latter subjected to a post hoc critical analysis, unless the insights prove to have been eerily accurate, or have predicted truths about an evolving situation that withstand the test of time.

In 2003 the main concern was with the unintended, and unplanned for, consequences of international military action in Iraq. Of the three immediate scenarios outlined in *Iraq: The Regional Fallout* mentioned above, the first considered the possibility of an immediate or muddled coup against Saddam through which the Ba'ath regime would hang on to power. With the hindsight of the swiftly decisive 'shock and awe' US-led assault and the subsequent crumbling of Saddam's regime, this now seems pertinent only to those Arab Spring states (Egypt and Tunisia)

18 See Chatham House 'Iraq 10 Years On' conference proceedings at <http://www.chathamhouse.org/events/view/189361>.

19 Rosemary Hollis et al., *Iraq: The Regional Fallout*, March 2003, <http://www.chathamhouse.org/publications/papers/view/107621>, and Chatham House, *Iraq in Transition: Vortex or Catalyst?*, September 2004, <http://www.chathamhouse.org/publications/papers/view/107907>.

where a change at the top of state leadership has been claimed as the outcome of the withdrawal of support for the presidents by their respective security establishments, prompted by widespread street-based protests. In other respects, high-level coups appear to be a feature of a previous *modus operandi* in the Middle East rather than the currently muddled outcomes now being played out across the region through greater civic and social action.

The other two scenarios considered an ‘inconclusive outcome’ and ‘prolonged hostilities’ or ‘a US victory and imposition of a US-run interim administration in Iraq’. In the event, the outcome was a mixture of the two, but one of the defining drivers for this – the prolonged internal and Al-Qaeda-inspired resistance to the continuing presence of US and international coalition forces – was not widely predicted in advance of the invasion. By the late summer of 2007, and by the British Ministry of Defence’s own admission, ‘British troops [were] the targets of 90% of attacks in Basra’, and this hastened the decision to withdraw all UK forces the following year.²⁰ The much larger US military presence took longer to draw down, but the dilemma of overstaying its welcome to the point of counter-productivity also informed the subsequent decision by the United States not to maintain any permanent military bases in Iraq, as was once originally intended.

By 2004, what was most evident was that the ‘dynamics unfolding in Iraq [had] great relevance across its weak borders in states also struggling with issues of identity, ethnicity, confessionalism, militancy and governmental legitimacy’.²¹ This has indeed characterized regional debates over the past decade, accelerating and intensifying since 2011. The threat to state unity in Iraq that this analysis often leads on to has not, however, been the main outcome of the rising activism of sub-state actors in and beyond Iraq’s borders. While the verdict over the future direction to be taken by the Iraqi state is still open, Iraq’s power struggles are still more informed by internal politics than by the cross-currents of regional unrest.

In the 2003 assessment by Chatham House, the ‘levers of power’ in Iraq were characterized as

*the deployment of organized violence by the state to dominate and shape society; the use of state resources – jobs, development aid and patronage – to buy the loyalty of sections of society; the use by the state of oil revenue to give it autonomy from society; and the recreation of communal and ethnic divisions within Iraqi society by the state as a strategy of rule.*²²

From the contributions to the current report and elsewhere, it is striking to see how many of these levers are still being deployed in Iraq, if not exclusively from Baghdad, nor in ways that will necessarily lead to a reinstatement of the centralized and centralizing state that held such destructive sway under Saddam Hussein. Rather, the numerous challenges to this very outcome appear to be the main driver of Iraq’s complex politics today.

In this context, the role of individual actors risks receiving disproportionate attention. In the 2004 paper, Muqtada al-Sadr and the Mahdi army were highlighted as key determinants of what was likely to emerge in Iraq, as indeed they were for much of the past decade. Today, however, al-Sadr and his forces have largely been absorbed into mainstream politics, at least for as long as

20 Richard Norton-Taylor, ‘The dilemma: pulling out as soon as possible while maintaining security’, *The Guardian*, 8 August 2007, <http://www.guardian.co.uk/world/2007/aug/08/military.iraq1>.

21 Chatham House, *Iraq in Transition*, p. 1.

22 Hollis et al., *Iraq*, pp. 2–3.

the governing coalition in Baghdad serves their interests and agenda. The current focus on the role of Prime Minister Nouri al-Maliki likewise risks over-emphasizing his individual capacity to shape outcomes, where fear of the return of a Saddam-like figure understandably highlights any personal accretions of power. This approach could well overstate the sustainability of personality-driven politics over the longer term. The 2004 analysis was right, however, to point to the flux in relations between sub-state actors and communities, as well as the likely dominance of the majority Shia community over plans (still not fully realized), for a federal state in Iraq.

This remains pertinent to the reactions to the Sunni-based protest movement of western Iraq since late 2012, as most recently evidenced in the coordinated bombing campaign across Iraq in April 2013, claimed by Sunni insurgents, and also to the increasingly evident contingency planning taking place in the northern Kurdish region for alternative scenarios should Iraqi federalism ultimately fail. As yet, however, no political force in Iraq is openly campaigning for the fragmentation or dismantling of the state. Divisions both within and between confessional and ethnic communities should also not be under-estimated – as stressed by some of the contributors to this report.

At the regional level, the most surprising outcome has been the largely positive and pragmatic relations established between Turkey and the Kurdish Regional Government (KRG) – not necessarily, as may have been feared, at the expense of Turkish relations with Baghdad. In 2004, the emergence of a more assertive autonomous Kurdish region was depicted as a major concern to Turkish interests, above all in combating the Kurdish Workers' Party (PKK) representing Turkish Kurds, which Turkey would be very likely to resist. Instead, the (then newly elected) AKP government in Ankara chose to extend its commercial and soft power influence towards the emerging KRG in ways that have reinforced the latter's ability to invest locally and assert itself as a significant regional and international actor. The internal consequences for the KRG's relations with Baghdad are still being worked out, but the positive outcomes for the Kurdish population of Iraq above all have so far outweighed the potential disadvantages foreseen in 2004.

Another development unforeseen in 2004 was the greater direct involvement of the Gulf powers in Iraq and the Levant region, even if the role of Iran and its links through Syria to Hizbullah in Lebanon were already well established. Saudi Arabia, above all, was deemed in 2004 to be a net loser from whatever emerged in Iraq and, together with other Gulf Cooperation Council states, not in a position to assert itself without US protection. A decade on, the risks of a proxy war in the confrontation between the Gulf and Iran are now being played out in Syria, and are weakening Iraq's ability to take a more assertive role in its near neighbourhood. In 2004, its capacity to play any kind of regional role still seemed a distant prospect, but then so did the options facing the Gulf states, which were perceived largely in terms of defending their regional interests rather than taking a proactive stance to pursue them.

While no strong conclusions can be drawn from this tentative retrospective, one forward-looking observation is that where enlightened leadership has surfaced in the region, the pursuit of different interests can converge and be mutual rather than cancel each other out. The conflict in Syria has put strains on the emergence of precisely the kind of leadership needed to sustain such trends, with the attendant risk that narrow interests will prevail in Iraq, as elsewhere in the region. Yet just as cross-border influences have increased dramatically across the region, the century-old Sykes-Picot division of territory in the immediate neighbourhood of Iraq still holds true. This may give rise to more imaginative ways in which regional links emerge in future – through trade,

investment and commerce, and re-establishing old community ties, as much as through the negative impacts of transnational violence and jihadism that dominate current reporting on the region. This type of debate is already taking place in the Kurdish region of Iraq, and should be high on the agenda for further research.

3 Iraq's Political Brinksmanship

Omar Sirri

One of the most striking comments I heard while conducting research in Baghdad earlier this year came from an Iraqi journalist discussing the ongoing political crisis gripping the country: 'Politicians – the elites – are working to deepen political ignorance in the country.'²³ By appealing to Iraqi society's ethno-sectarian identities in order to shore up political support and stir up votes in provincial and national elections, so the argument goes, politicians are not only ignoring an opportunity to re-stitch the fabric of Iraqi national identity that frayed during the violent civil conflict of 2006–07, but are deliberately exploiting identity politics because it is easier to mobilize supporters around ethno-sectarian solidarity and fear than on an agenda of good governance, economic development and an end to corruption. By playing identity politics the elites are creating lasting fissures in society along ethnic and religious lines in order to push citizens away from forging common interests and combining grievances in ways that would hold the elites to account.

On the face of it, this condemnation of Iraq's political elite is nothing new, nor is the acerbic tone in which it is often delivered. Since 2003 politicians in the 'new Iraq' have been criticized for failing to engage the people adequately on critical governance issues that would determine the country's future, such as the writing of its constitution. But just beneath the surface of the criticism lies something more significant about the state of the political elite dynamic. Perhaps now more than at any other time in the last decade, political brinksmanship today can be defined by an extreme zero-sum game between elite players: a political victory is only recognized as such when one's political opponent is defeated absolutely.

After the 2010 elections led to deadlock among the elite, the subsequent political horse-trading over eight months resulted in Prime Minister Nouri al-Maliki securing a second term as prime minister. The various parties appeared to have reached a political compromise, known as the Erbil Agreement, but the key provisions of power-sharing were not implemented by the government (though a full analysis of this is difficult since the gentlemen's agreement was not actually published).²⁴ Maliki, who leads the Da'wa party and his State of Law coalition, maintains that provisions in the Erbil Agreement were fundamentally flawed as they would have illegally curtailed the prime minister's constitutional powers. That said, in addition to regaining the premiership, Maliki was able to disregard the compromise made by members of his coalition with the leading opposition bloc, Iraqiya, which contributed to making his second term possible. He has since been able to consolidate this political victory by increasing his oversight over bodies intended to be independent and non-partisan, for example by installing

23 Interview, Baghdad, March 2013.

24 Reidar Visser, 'Time to Publish the Arbil Agreement?', *Gulf Analysis*, 26 March 2011, <http://gulfanalysis.wordpress.com/2011/06/23/time-to-publish-the-arbil-agreement/>.

friendly heads of the Independent High Electoral Commission and the Central Bank of Iraq after controversial charges of corruption led to the removal of the previous two respective chiefs.²⁵

In December 2011 one of Iraq's three vice-presidents, Tariq al-Hashemi, who represented his Renewal political party, part of the Iraqiya coalition, was accused of operating a sectarian militia and charged with murder. He fled the country – despite his bodyguards being arrested at Baghdad International airport while he was allowed to take off – and charged that the accusations were politically motivated. Having been convicted and sentenced to death *in absentia*, Hashemi has attempted to influence politics from outside the country through various statements and media interviews, but with little effect.

The most recent wave of the political crisis began when police forces arrested about 150 staff and security personnel of Minister of Finance Rafi' al-Issawi, head of the National Future Gathering, which is also aligned with Iraqiya, on suspicions of corruption. There is currently an outstanding arrest warrant for Issawi, who has since resigned his post and fled Baghdad for western Iraq, where protests have erupted in part as a reaction to the move against him. Becoming a figure for the demonstrators to rally around has elevated Issawi's stature but the wider demands of the protestors are grounded in far more substantial issues, such as the abolition of the anti-terrorism law that they argue unjustly targets Sunnis. Though encouraging the demonstrators in their demands, Issawi has been neutralized as a political figure in the capital by being relegated to the opposition sidelines outside Baghdad.

For their part, the political blocs that are technically part of the governing coalition but fundamentally opposed to Maliki's rule have sought their own total political victories to counter what they perceive to be Maliki's. In 2012, whether reacting to what they felt was increasing political marginalization or in a proactive political move of their own, members of the Iraqiya bloc along with the Kurdish Democratic Party sought to pass a no-confidence motion in parliament to bring down the government. After vigorous efforts Maliki succeeded in preventing the vote from occurring. President Jalal Talabani, whose authorization was needed for the vote to occur, refused to allow it to go ahead. Though Talabani was reportedly under pressure from Iran to block the vote and support Maliki, those trying to unseat the prime minister were struggling to collect the votes necessary to succeed.²⁶ At the more local level, in 2011 provincial councils attempted to use clauses in the constitution allowing for referenda to be held in support of federalism and the devolution of power and resources from the central government; however, these efforts were countered by Maliki, who claimed his cabinet had to approve these requests before any referendum could be held.

In the last 18 months Iraqi politics has been defined by this type of escalating political brinksmanship and zero-sum battles among the political elite. Why does this matter? Are not parliamentary systems structured to operate this way? Surely political elites in any country to varying degrees seek greater power at the expense of their political opponents? Perhaps, but for Iraq this brinksmanship affects society in uniquely disconcerting ways.

25 Nizar Latif and Phil Sands, 'Critics attack al Maliki's "power grab" over Iraq state institutions', *The National*, 26 January 2011, <http://www.thenational.ae/news/world/middle-east/critics-attack-al-malikis-power-grab-over-iraq-state-institutions>; Tim Arango, 'Iraq Election Official's Arrest Casts Doubt on Prospect for Fair Voting', *New York Times*, 16 April 2012, http://www.nytimes.com/2012/04/17/world/middleeast/iraq-arrest-calls-fair-elections-into-question.html?_r=0.

26 Despite dissatisfaction with Maliki's governance, more than 90 per cent of the parties represented in parliament are represented in the government, thus complicating their own opposition stances.

First, the friend–enemy political elite dynamic that frames all political calculations in Iraq means that elected figures seem to believe they will score more points with their supporters for political victories than for governance victories such as providing better services to citizens. By waging political battle on the terrain of personal politics and control of the state apparatus, the elites know they are on firm ground – rather than finding their footing on more ordinary issues of democratic politics and responding to the concerns of ordinary citizens.

Second, this political elite dynamic matters precisely because, increasingly, it does not matter to the people outside the elite. The danger goes beyond the provision of social services to something more fundamental about the state of democratic governance in Iraq. If political elites are constantly seen as governing not at the behest and in the interests of the people but in their own interests, the purportedly democratic system is put in a constant state of jeopardy or crisis that no longer becomes the exception but rather the norm.

Third, building on this and going beyond state–society relations, one can begin to see the profound consequences that ‘deepening political ignorance’ can have on society. If the accusation is true, then to what extent do citizens believe what their elites are arguing? If elites continue to maintain that their opponents’ political motives are based in ethno-sectarian xenophobia, a significant segment of their supporters will take the argument as fact. There is an alternative view, as expressed last summer by a former member of the Iraqi Governing Council of 2003–04, that ‘sectarianism has always existed in Iraq, but it has always been dealt with delicately by those in power.’²⁷ By placing identity at the core of the political battle, elites – knowingly or not – may be engaged in their own social and political re-engineering inside Iraq, where identity dominates consciously and subconsciously, sectarianism prevails, and the ‘Lebanonization’ of society – in which identity politics influences nearly all aspects of state-society relations – dominates this particular historical moment.

Studies have shown that people’s desires for greater political fragmentation and in-group solidarity largely stem from insecurity and fear rather than from an innate sense of enmity towards others.²⁸ The fears manifested during the Iraqi civil conflict of 2006–07 were slowly being overcome, as was demonstrated by the 2009 provincial elections and 2010 national elections, in which voters seemed to reject the politics of ethno-sectarian division in favour of reordering the political landscape around governance issues. Yet it seems that, whether intended or not, Iraq’s political brinkmanship has for now postponed a focus on finding solutions to the country’s daily ills. In its place has emerged an ongoing renegotiation of how the new state will operate politically, how it interacts with society and how society sees itself. On these issues the challenge facing the political elite in Iraq today seems to be how it will elevate the political debate to do justice to the citizenry. Failure to do so could result in political brinkmanship becoming a self-fulfilling prophecy, and fear and violence once again dominating Iraqi society.

27 Interview, Baghdad, July 2012.

28 Ronald Inglehart, Mansoor Moaddel and Mark Tessler, ‘Xenophobia and In-Group Solidarity in Iraq: A Natural Experiment on the Impact of Insecurity’, *Perspectives on Politics*, Vol. 4, No. 3, September 2006.

4 The Politics of Sectarianism in Iraq

Fanar Haddad

Leaving aside the debate regarding sectarian identity in pre-2003 Iraq, the last ten years have undoubtedly taken their toll on national cohesion. The political elites that were elevated to the heart of politics as a result of the invasion had little beyond ethno-sectarian identities on which to base their legitimacy. Even their claims to have rid Iraq of the travails of the Saddam era were often couched in terms of an ethno-sectarian group's deliverance from unique victimhood. The most relevant political forces were unambiguously Shia or Kurdish and for them, and indeed for many Shias and Kurds more generally, the downfall of the Ba'ath regime was as much their own deliverance as an ethno-sectarian group as it was Iraq's. Before 2003 Sunni Arabs did not have a coherent sense of themselves as a differentiated group, much less one that was uniquely victimized on the basis of its ethno-sectarian identity. Lacking such myths of unique victimhood, in 2003 they were little more than bystanders at the cathartic celebration of communal victimhood that marked regime change and that, from their perspective, seemed to imply Sunni Arab complicity in upholding the Ba'ath.

The political environment born in April 2003, elements of which seemed to resemble a meritocracy of communal victimhood, mandated the formation of an expressive and politicized Sunni Arab identity where previously none had been clearly discernible. Since then, Sunni Arabs have replaced their Shia compatriots as the self-perceived victims of state-sponsored sectarian discrimination. Over the past decade, they have slowly developed an identity revolving to a large extent around the laments of exclusion and marginalization, and have clearly asserted this in various forms from rejection to violence to political rhetoric to civil society organizations. Needless to say, the general Shia sentiment is no more sympathetic to Sunni claims of unique victimhood than Sunnis were with regard to similar Shia claims until 2003. Exacerbating these divergent feelings of victimhood and entitlement are the traumas suffered by all over the past ten years. As a result, Iraqi sectarian relations today are characterized by a pronounced state of competing sectarian 'martyrologies' relating to both the pre- and post-2003 eras.

Since the seismic shift in dynamics that was initiated by regime change, sectarian relations in Iraq have undergone several phases. In the first two years there was a period of entrenchment, rapid politicization and a steady rise in sectarian violence. After the elections of 2005, and more markedly following the Samarra bombings of 2006, relations deteriorated into a state of civil war (a complex set of conflicts that included sectarian conflicts as well as intra-sectarian violence) that lasted to the end of 2007. This was followed by a brief period of hope between 2008 and 2010 as an exhausted and terrorized population hailed Prime Minister Nouri al-Maliki's willingness to confront militancy and assert the authority of the state. As existential fears of the sectarian other waned and as relative faith in the coercive abilities of the state increased, the political relevance of sectarian identity fell into relative retreat. However, the political bickering after the elections of 2010 saw the reactivation of sectarian political alliances, thereby dashing many Iraqis' hopes for a post-sectarian future. Nevertheless, the post-2010 landscape, while far from ideal, had a measure of stability that resulted in sectarian identity losing its earlier centrality.

This post-election, or indeed post-civil war, status quo has come under increasing strain over the past two years. This has been fuelled to some extent by regional events, not least the ongoing Syrian civil war. Most recently, the arrest of Minister of Finance Rafi' al-Issawi's security detail in December 2012 sparked mass protests in Sunni-majority governorates. As has been all too common in post-2003 Iraq, the sectarian dimension of the crisis has taken on a momentum of its own and occupied centre stage, overshadowing other, perhaps more relevant, causes of the country's familiar cycle of political crises. Although the sectarian aspect of the current crisis has all but overwhelmed perceptions regarding the impasse, it is but a symptom of a broader illness relating to the fact that the entire post-2003 political order was built on weak and inherently divisive foundations. Upon these foundations rests a political establishment that seems prepared periodically to exacerbate sectarian tensions for political gain. It is more than mere coincidence that, with the sole exception of the 2009 provincial elections, every electoral round has been accompanied by deeper entrenchment and heightened sectarian rhetoric.

While few Arab Iraqis would express satisfaction with any of their governments since 2003, the current protests have failed to create a united popular front in the context of deep sectarian divisions, for the simple reason that they are generally portrayed as 'Sunni protests' airing grievances that are framed as evidence of anti-Sunni prejudice. In other words, the protestors hope to herald their own deliverance as an ethno-sectarian group as much as Iraq's. It is perfectly legitimate – indeed it may be inevitable – for a sub-national group to have specific grievances; however, in the Iraqi context, competing sectarian victimhoods are so pronounced and politicized that publicly championing one will immediately serve to alienate the sectarian other. In the ongoing 'Sunni protests' many grievances are potentially pan-Iraqi, but cross-sectarian solidarity is forestalled by the fact that they are framed as specifically Sunni.

In fact, on only two of these 'Sunni' issues is there even a small chance of cross-sectarian agreement: de-Ba'athification and anti-terror legislation. The difficulties surrounding these two contentious subjects are indicative of the broader problems related to Iraqi sectarian identities. The disagreements are fundamentally linked to the divergent readings of pre- and post-2003 Iraq and the presence of competing sectarian victimhoods since the invasion. De-Ba'athification is entangled with sectarian identity by the perceptions of many that its implementation is questionable, impersonal and selective. While it has quickly become a prominent feature of Sunni claims to victimhood as one of the primary tools of marginalization, it is a policy founded to a large extent on a central component of Shia victimhood, namely the long-oppressed majority righting historical wrongs. Similarly, to broad swathes of Arab Iraq, 'terror' is a byword for Sunni militancy (as opposed to 'militias', a term used for the Shia). Rightly or wrongly, anti-terror legislation is seen by many Sunnis and certainly by the protestors as another tool of sectarian oppression. This view is opposed by a considerable body of Shia opinion that regards it as a necessary measure against the violence that has plagued Iraq since 2003 and has often targeted their communities.

In a cyclical dynamic that is far from unique to Iraq, political elites continue to exacerbate extant social fissures. It is scarcely surprising that this renewed climate of sectarian entrenchment has coincided with elections. For many Iraqi political actors, the prospect of capturing cross-sectarian votes is remote; as a result, their political fortunes during elections are well served by sectarian entrenchment. For an Iraqi politician lacking a glowing record of service through which to secure votes, positioning oneself as the defender of ethno-sectarian interests in a state founded on ethno-sectarian apportionment has proved a relatively successful fall-back position. Indeed the current crisis may be a result of electoral strategies gone awry. One can therefore fairly ask: does the problem lie with antagonistic sectarian identities or is it more an issue of an institutionally

weak state unable to lend substance to the concept of citizenship? In any case, one cannot help but wonder how many electoral rounds and consequent sectarian entrenchment Iraqi nationalism can ultimately withstand.

Considering the sheer magnitude of communal violence intermittently witnessed over the past ten years, Iraqi nationalism has proved remarkably resilient. However, while the vast majority of Arab Iraqis, whatever their political and religious persuasion, maintain a belief in the nation-state, there is little agreement on what that belief entails. In other words, the content of Iraqi nationalism remains uncertain. This lack of consensus can be seen in Arab Iraq's inability to agree on its defining myths and symbols. Despite having countless horrors to choose from, today's Arab Iraq lacks a defining, unifying tragedy – its Holocaust or its Halabja – and attempts at fostering a unifying tragedy have proved divisive. The threat to the future of Iraqi nationalism comes not from a lack of public subscription to the idea of 'Iraq' among Arab Iraqis. Rather, it is the continuing failures of Iraqi nation-building, as exemplified by the incessantly feuding political elites, exacerbating already deep social divisions, that may render Arab Iraqis' belief in Iraq a concept too hollow to withstand the stresses of successive internal and external crises and pressures.

5 From Power-Sharing to Majoritarianism: Iraq's Transitioning Political System

Nussaibah Younis

The greatest political challenge facing Iraq today is its transition from a power-sharing to a majoritarian form of government without a concomitant depoliticization of ethno-sectarian identities.

Power-sharing is an ineffective system of government. It is often introduced into 'deeply divided societies' on the basis that countries made up of numerous religious or ethnic groups must ensure that these are properly represented in government in order to prevent civil conflict. There are two key flaws in this model. The first is the assumption that communal groups must be represented by their own kind in government, and the second is the notion that ethno-sectarian identities will remain the most important political cleavages in a given society.

By assuming that communities can only be represented by their 'own' leaders, power-sharing drastically reduces political choice. The incentive structure of the system encourages voters to support candidates within their community, and individuals may be faced with charges of disloyalty if they consider looking for political leadership outside. Of course there may be many other reasons why communities choose to look to members of their own sect for political leadership. Fear and suspicion of other communities may mean that voters simply lack confidence that a political leader who is not of them can truly represent them. But feelings of antipathy between communities are subject to change over time; a well-executed process of national reconciliation, for instance, can go some way to re-establishing trust between different ethno-sectarian groups. A power-sharing political system, however, can deeply entrench sectarian voting patterns even beyond the point where a reconciliation process ought to be dimming the relevance of sectarian divisions in a given society.

Power-sharing can also actively hinder reconciliation processes. In such a system, political leaders are incentivized to maintain a strong culture of ethno-sectarian identification, because it is from the strength of those identities that they derive their power.

The power-sharing also diminishes the ability of communities to hold their leaders to account for poor service delivery or corruption. The community's priority has to be maintaining the strength of the sect *vis-à-vis* other sects competing for resources in the central government. Because communities must demonstrate their strength at the negotiating table, electoral success comes to be dominated by oligarchs who can use power to beget more power.

Power-sharing is also a deeply dysfunctional form of government. Because government is made up of several distinct blocs that are mostly interested in extracting resources from the state for the benefit of their specific communities, what develops is a politics of the grand bargain. As Simon Collis, the British ambassador to Iraq, quipped at Chatham House's 'Iraq Ten Years

On' conference in March 2013, 'In Iraq nothing happens until everything happens.'²⁹ Politics is paralysed by the constant negotiation over the division of state resources and by the zero-sum attitude of the political players. Although the sources of Iraq's political dysfunction certainly go beyond its political system, power-sharing has not helped to facilitate agreement on crucial issues that involve the division of resources or territory.

Prime Minister Nouri al-Maliki quickly realized that in order to get anything done he had to construct a shadow government of politicians, civil servants, advisers, local governors, police and army officers personally loyal to and accountable to him. While Maliki has long had this set-up, since the start of his second term in office he has developed an openly bullish attitude towards power-sharing. His formation of the Dijla Operations Command in contested territories directly provoked Kurdish forces and his rhetoric around the role of Kurds in Iraqi politics has become increasingly chauvinistic.

Maliki's attitude towards the Sunnis has been similarly aggressive. Frustrated that he failed to secure any support from them with his cross-sectarian political platform in the 2010 elections, the prime minister had almost abandoned any attempt to keep the Sunnis in political play by December 2012. His targeting of high-profile Sunni politicians Tariq al-Hashemi and Rafi' al-Issawi can be seen as evidence of his willingness to do away with the power-sharing façade.

The prime minister has been shaken, however, by the strength of the mass Sunni demonstrations that have swept the western provinces since December 2012. As the protests have endured, Maliki has been taking Sunni demands increasingly seriously – appointing Deputy Prime Minister Hussein al-Shahristani to chair a committee to examine the demands of the protesters and drafting a revision to the de-Ba'athification law that Sunnis believe unfairly targets them. My impression, however, is that these moves have been made in the spirit of crisis management, and will not contribute to a substantive change in the political system.

Although it is possible that a cross-sectarian coalition including dissatisfied Shia, Sunni and Kurdish politicians could join forces to replace Maliki, in reality he has been able to deploy the fear of the sectarian other and the logic of the power-sharing construct to maintain power. The prime minister is popular in the Shia constituency because he is seen as a strong leader who is fighting his corner in central government. In fact the more vocal and empowered other communities are, the more Maliki is able to entrench his power as many Shia fear losing the gains they have made in the last ten years.

The hybrid majoritarianism Maliki is pursuing is one in which politics remains deeply sectarian even as power comes to be increasingly dominated by the largest sect. The failure to break out of sectarian frameworks means that this new politics will necessarily be rejected by those communities that feel excluded from and oppressed by it.

All over the Arab world uprisings have given way to a fear of the 'tyranny of the majority', but in Iraq majoritarian politics is laced with a fear of domination by another ethno-sectarian group and therefore taps into identities that are deeply rooted in mythologies of self and community.

29 Simon Collis, Keynote Address, Chatham House conference on 'Iraq Ten Years On', 19 March 2013 <http://www.chathamhouse.org/events/view/189361>.

Iraq's various ethno-sectarian communities are still plagued by memories of their respective experiences of persecution, living in the spectre of civil war, and conditioned by a decade of power-sharing politics. A transition to a majoritarian form of government cannot take place without an authentic reconciliation process that acknowledges the validity of the victimhood of all Iraq's communities while building a consensus around the type of state that all Iraqis would benefit from building.

Real democracy, effective government and enduring stability derive from a political settlement in which identity is incidental and politics is about competing political platforms: a politics in which voters can punish ineffective and corrupt politicians at the ballot box without fearing for the future of their own communities.

6 Iraq and Political Islam

Maha Azzam

Islamist political parties and extremist groups continue to be a dominant feature of the politics of Iraq. They represent political and sectarian demands in an unstable and violent political environment. Furthermore, they represent the importance of asserting an 'Islamic' identity and values for many in Iraqi society.

The ongoing power struggle between competing political groups for inclusion, and in some cases domination or autonomy, has undermined stability and the emergence of a possible consensus over the country's future. However, the greatest challenge to those who have bought into the electoral process is the recent escalation in violence by the Sunni insurgents of the Islamic State of Iraq group which incorporates Al-Qaeda and other radical groups. In 2011 there were approximately 200 reported incidents of violence per month; by the beginning of 2013, the figure had risen to 800 reported major incidents per month, according to Mike Knights of Olive Group, a security firm.³⁰ Their targets have mainly been the Shia community, the security forces and government facilities. Their aim has been to maintain instability and in turn to undermine the government of Prime Minister Nouri al-Maliki.

Since December 2012, Maliki has faced the additional challenge of mostly Sunni protests in the important Anbar province and in Nineveh, directed against him and against the perceived influence of Iran. These protests were apparently triggered by the arrest of bodyguards and other staff working for Rafi' al-Issawi, the Sunni finance minister, which was seen as part of a campaign by the Shia-dominated government to continue to marginalize the Sunnis. It is unclear whether increased protests will see political parties come to the fore with a strategy to address them or whether they will lead to even greater political and sectarian polarization and violence. Furthermore, the Sunni community and political groups may feel partly emboldened by the Arab Spring and its empowerment of Sunni Islamist groups elsewhere, and by the advance of the predominantly Sunni insurgency against Assad in Syria.

Islamist groups

Although Islamist political parties in Iraq have vied for support along sectarian lines, there has also been a visible shift towards trying to create issue-based platforms that attempt to address their constituencies' needs for security and basic services. Most endorse greater influence for Islamic precepts in daily life, although there is a difference over the degree of implementation and interpretation of Islamic law. Despite this, it is not so much ideological agendas that are being contested but rather political influence and power.

30 Michael Knights, 'Is Iraq heading towards a civil war?', *New York Times*, 19 March 2013, <http://www.nytimes.com/roomfordebate/2013/03/19/the-iraq-war-was-it-worth-it/ten-years-after-the-war-is-iraq-headed-toward-a-civil-war>.

Maliki's Islamic Da'wa party ultimately represents the success of an Islamist party coming to power. Although it was backed by Iran during the anti-Saddam insurgency, this does not mean that there is unrestrained Iranian influence on Maliki and his party. Da'wa has evolved into a pragmatic political party that emphasizes broadly nationalist and Islamic values despite its Shia provenance.

In contrast, the Islamic Supreme Council of Iraq (ISCI), one of the leading and best organized Shia religious parties, is closely allied with Iran with strong theological links to Iran's clergy. However, despite this, it has also been responsive to the United States and has allied itself with the Da'wa. In the 2009–10 elections, the group lost some of the support base and gains it had made in 2005. Today, under the leadership of Ammar al-Hakim, it espouses the unity of Iraq and emphasizes that the oil resources of Kirkuk are a national resource. Its commitment to the democratic process and elections place it at the forefront of a religious-political movement opposed to violence.

Interestingly, groups such as cleric Muqtada al-Sadr's Mahdi army, which was a key player in fighting the US forces since 2003 and was responsible for much of the violence during 2006–07, and the Badr Organization, the armed wing of the ISCI, have reinvented themselves as political parties and have representatives in parliament. Nevertheless, an escalation of attacks from Al-Qaeda affiliates may engage them once more in a wave of Sunni–Shia violence. Many of the supporters of these groups are devout Shias whose tribal bonds create a degree of cohesion.

On the other side of the sectarian divide is the Iraqi Islamic Party (al-Hizb al-Islami al-Iraqi) which evolved out of the Muslim Brotherhood in 1960 and which appears to be the main and largest Sunni counterweight to have engaged in the political process. It reasserted itself as a political player after the fall of Saddam Hussein's regime, and is considered to be the leading party within Iraq's Sunni Iraqi Accord Front (Tawafuq), an alliance of Sunni parties that garnered more support from the Sunni community than any other group in the 2005 elections and joined the Maliki government. At the time, its decision to participate in elections came under severe attack from the leader of Al-Qaeda in Iraq, Abu Mus'ab al-Zarqawi. Its support waned in the 2009 elections, following which it joined the Sunni secular Iraqiyya list of Iyad Allawi. Its platform has been a mixture of opposition to de-Baathification, support for federalism and the promotion of Islamic values.

The Sunni assertion is as much nationalist as sectarian, and can be seen as an echo of protests elsewhere in the Arab world against leaders in power demanding political inclusion as well as political and legal reforms (a combination of basic rights and provision of services). For the Iraqi Islamic Party (IIP), the protests are also an opportunity to galvanize Sunni support which it still garners through the mosques and religious leaders. The IIP in Iraq is resorting to protests as a means of undermining an elected government, whose response is to allege that these demonstrations are riddled with Ba'athist supporters, and exploited by Al-Qaeda. Given the potential support that Iraq's Brotherhood can garner among Sunnis, it remains potentially an important partner in any power-sharing arrangement and a counterweight to Sunni religious extremism.

Fragmentation still on the cards

The government of Nouri al-Maliki faces a serious challenge to maintaining a fragile central authority from competing groups, many of whom espouse 'Islamist' agendas. Although the IIP says that it does not seek autonomy, nevertheless, Sunni protests are backed and may be even directed by it. It is largely driven by a desire for greater participation in Iraq's power structure.

Anbar, which was largely under the control of Al-Qaeda in 2005–07, is now being used as a base through which fighters can cross the border to Syria and join the opposition to Assad. The Syrian conflict, fraught with sectarianism, has created fear among Iraqis that it will reignite an even more vicious sectarianism in their country. For the Sunnis and their political parties the weakening of the Alawite regime is perceived as an opportunity to assert their power and to push back what is considered by some as encroaching Iranian-backed Shia influence in the region. The perception that Sunnism is being challenged also offers a renewed rallying call for jihadists. Recently a group that includes Al-Qaeda in Iraq claimed responsibility for the killing of 48 Syrian soldiers sheltering in Iraq and accused Maliki of cooperating with the Assad regime. Increasing political fissures and a deteriorating security situation increase the risk of Iraq's fragmentation.

Conclusion

The struggle for power does not fall neatly into Shia versus Sunni, or Islamist versus secular divides. However, issues of identity, rights and interests have found sectarian expression in a period of upheaval and transition. At one end of the Islamist political spectrum is the IIP, the Da'wa and the ISCI, and at the other Al-Qaeda and those Shia groups that may resort to violence if the terrorist attacks continue to escalate.

The Da'wa party and the IIP represent the moderate face of Islamism, a model the United States and Europe seem, so far, to be able to do business with. It is the extent to which these parties can cooperate faced with the fear of a recurrence of previous levels of violence that will be tested in the coming period. The prospect of Assad's demise in neighbouring Syria may have emboldened Iraq's Sunnis but it is also increasingly likely to empower jihadists who are ready to challenge governments in the region, both democratic and autocratic, through resorting to violence.

7 From the 'Kurdish Issue' to the 'Kurdistan Region of Iraq'

Gareth Stansfield

Without doubt, the most striking change in the international relations of Iraq since 2003 has been the emergence of the Kurdistan Region of Iraq as a player with weight and agency in the affairs of the Middle East. This transformation is nothing short of astonishing. From being referred to in previous decades as the 'Kurdish issue' or the 'Kurdish problem' – in dual reference to the Kurds being a destabilizing element in the politics of a state dominated by a narrative of strong Arab nationalism, as well as a people subjected to unimaginable levels of oppression, including acts of genocide – the Kurds have become the elder statesmen of the post-2003 situation. Far from being an anomaly in the international system, existing in a *de facto* sense in the vacuum created in northern Iraq following Saddam Hussein's ill-fated adventure into Kuwait in 1990, but assumed to be destined to be crushed by international realities later on, the Kurds now constitute a reality on the map of the Middle East. They exist as a *de jure* region of Iraq, with their entity legalized by the constitution of 2005. The question that many are now asking is whether the *de facto* sovereignty they clearly enjoy in this region – where the writ of Baghdad is almost non-existent – will be transformed into the *de jure* sovereignty of an independent state.

The trajectory towards being able to secure independence is clear to see – but it is unclear whether this could happen peacefully in a 'velvet' separation or violently through civil war. The moment has still to arrive. The constellation of factors that would allow the Kurds to either secede from Iraq or announce that Iraq is no longer a viable state has not yet emerged. Nor do Kurdish leaders yet have a fully formed view that it would indeed be in their interests not to be part of Iraq. Nor can the building of a critical mass of attributes supporting independence or the desire of leaders to secure it be taken for granted, so great would be the scale of change and unpredictability such a move would generate. The Kurdistan Region, while having similarities to Switzerland in terms of its territorial parameters and geography – being mountainous, multi-communal (with Turkmens, Christians, Yezidis, Shabaks and others all living there) and, most importantly, landlocked – exists in a much less forgiving neighbourhood, and in a time that is also generating specific conditions that may or may not support secession. To be independent, therefore, requires Kurdish leaders in Iraq to balance up the pros and cons of having such a status in a wider region that is in itself riven with geopolitical pressures and intrigues, and also in the deep and uncertain waters of flux and change.

Independence from Iraq is also something that is not fully the Kurds' to seize. Even with the very significant levels of autonomy they have, they are still tied into the Iraqi state, particularly in terms of financing the region. As matters stand, the Kurds have only a limited (though noticeable) ability to generate revenue independently of Baghdad – through border trade, and especially in the controversial export of limited amounts of crude oil to Turkey and Iran – and rely almost wholly upon the allocation of a proportion of the Iraqi budget to the Kurdistan Region. Constitutionally allocated 17 per cent of the national budget, the Kurdistan Region rarely receives this amount owing to disputes with Baghdad over accounting and, increasingly, over the disagreement

between Erbil (the Kurdistan Region's capital) and Baghdad in the realm of oil production. For the March 2013 budget, for example, the Kurds demanded an additional \$3.5 billion, on top of their allocated \$12.9 billion, to pay for oil companies that have been working in Kurdistan but without the approval of Baghdad. The national government's award of a much lower sum of \$750 million means that the Kurdistan Region is in deficit for the coming year.

It is these disputes over the competences of the region and the rights and responsibilities of Erbil *vis-à-vis* Baghdad that are driving a serious confrontation between the two constituent parts of the Iraqi state. Personified by President Massoud Barzani for the Kurds and Prime Minister Nouri al-Maliki in Baghdad, the dispute has at times reached dangerous levels since 2008, with conflict between the Iraqi Security Forces and the Kurdistan Region *peshmerga* nearly breaking out several times since 2008 in the sensitive border area south of the Kurdistan Region, otherwise known as the disputed territories.

These disputes have at their core contestation over the future structure of the state – and particularly whether it is centralized or federalized/decentralized – and, perhaps more perniciously, the notion of what it will mean to 'be' an Iraqi: whose vision of Iraqi identity, nationhood and nationalism will become dominant or, more positively, how will these notions be negotiated and moderated? It is true that currently there is little cohesive sense of nationhood or common agreement on national identity. Rather, political identities have been broken by the initial chaotic devolution of power that afflicted Iraq in the first years following regime change, with these localized, sectarian and ethnic identities being ossified in a most brutal civil war, and then normalized as being the way politics works in Iraq in the post-US setting since 2011. Without doubt, this reality of political life and mobilization will remain a feature of Iraq. The political elites will either have to agree on a compromise way forward, or will force their agendas on their competitors, perhaps violently.

But Iraq and its Kurdistan Region do not exist in a vacuum. Indeed, the country's politics have become penetrated by the national interests of regional powers, and the Kurdish leaders of Iraq, with their ability to engage with Kurdish populations in Syria, Turkey and Iran, are now prominent statesmen with real agency in a host of sensitive geopolitical situations. But sensitivities that were once presented as real limits to the Kurds' ambitions in Iraq are now tending to work in their favour. Consider the situation in Turkey: as recently as five years ago, Ankara remained deeply worried about the interaction between Iraqi and Turkish Kurds, whether in the real, hard world of support given to the Kurdistan Workers' Party (PKK), or in the possible ways in which Iraqi Kurdish 'soft' power could influence the mobilization of Kurds in Turkey. Now, given the peace process between the government of Turkey and the PKK leadership, which included the Iraqi Kurds as mediators, the situation is very different. Indeed, with regard to the civil war in Syria, both Turkey and the Kurdistan Region of Iraq seem to be working very much in unison, in an attempt to manage the instabilities apparent in the north and northeast of the country to avoid destabilizing Erbil and sensitizing Ankara. In very real ways, the Iraqi Kurds are now beginning to show their worth as allies, irrespective of whether they are constituent parts of Iraq.

Ten years after regime change, the future of Iraq is still not clear; nor is that of the Kurdistan Region. But it seems that the 'muddling through' approach taken by Iraqi elites in the earlier years, under the cover of an overlord US presence, is no longer as viable as it was. Instead, key issues that were left unresolved concerning Kurdistan in particular have now emerged as problems of vital interest for the Kurds, for Baghdad and for the wider region. It is no exaggeration to say that the future of the Kurdistan Region in Iraq will, to some degree, colour the future developments of Middle Eastern political life – in Iraq, Turkey and Syria certainly – in the decade ahead.

8 The Reconstruction That Never Was

David Butter

In Jonathan Franzen's 2010 novel *Freedom*, Joey Berglund, the son of the two central characters, takes on a subcontract to supply spare parts for a fleet of Polish trucks used by the US army in Iraq. His business partner suggests that he invoices at a 300 per cent mark-up, and he fulfils the deal after finding some rusty parts cannibalized from trucks in Latin America, but later has a crisis of conscience. This fictional account of waste and corruption in the massive operation to sustain the US armed forces in Iraq chimes with the criticism levelled by some American politicians about how logistics and reconstruction in Iraq were handled. There are plenty of similar examples on the Iraqi side. One of the more remarkable was a contract valued at more than one billion dollars announced in mid-2011 by the Ministry of Electricity with a Canadian-registered firm to supply 1,000 MW of diesel-fired electricity generators and install them within 12 months. The company turned out to be little more than a website and a post office box number, and the affair led to the dismissal of the minister. Meanwhile, Iraqis continued to suffer from chronic shortages of power from the national grid (particularly in Baghdad and the central part of the country; the situation is better in Basra and in the Kurdistan Region).

Hundreds of billions of dollars have been spent, mainly from US and Iraqi government coffers, on rebuilding the country in the aftermath of the 2003 invasion and the preceding two decades of war and sanctions. However, much of Iraq remains stuck in what Roula Khalaf, of the *Financial Times*, recently described as a 1970s time warp.³¹ An estimated 60 per cent of Iraqi households lack one of the three essential infrastructure services of safe drinking water, sanitation or access to 12 hours per day of electricity supply.³² Neither the US-managed reconstruction programme of the early occupation years nor the lavish investment spending allocation in recent Iraqi budgets has made much difference.

The US reconstruction effort started off with great burst of energy in 2003–04 as the US Agency for International Development (USAID) and the US Army Corps of Engineers (USACE) put together plans for billions of dollars' worth of contracts covering all sectors of the economy. Most of the big names of the US engineering and construction industry were involved in bidding for the work on offer. Bechtel won two contracts worth up to \$2.5 billion from USAID for a range of infrastructure projects, focusing on electricity, and a project-management office operating under USACE auspices drew up specifications for a series of work orders to be financed from a total of \$18.6 billion in grants. Winners of contracts under the latter programme included Fluor Corporation, the Washington Group, Perini Corporation, Contrack (a US affiliate of Egypt's Orascom Construction Industries), and AMEC of the United Kingdom. One of the lesser-known

31 Roula Khalaf, 'Iraq: 10 years later', *Financial Times*, 16 March 2013, <http://www.ft.com/cms/s/2/c9b2ce20-8c42-11e2-8fcf-00144feabdc0.html#slide0>.

32 International Energy Agency, *Iraq Energy Outlook*, October 2012, <http://www.worldenergyoutlook.org/media/weowebsite/2012/iraqenergyoutlook/fullreport.pdf>.

companies involved was the native-Alaskan-owned NANA Pacific, which won orders for work on Umm Qasr port and a telecommunications project.

Separate from these contracts was a directly attributed order to KBR, then an affiliate of Halliburton (the two firms separated in 2007), to carry out the Restore Iraq Oil programme as part of its exclusive contract to supply global logistics services to the US Army and Navy. KBR's role came under particular scrutiny given that Vice-President Dick Cheney had been Halliburton's chairman and chief executive officer between 1995 and 2000. KBR's involvement in the oil sector was devoted mainly to securing and distributing fuel, and much of the work on restoring production facilities was undertaken directly by the Iraqi state companies. Outside the oil sector, KBR's work included catering and laundry services for US forces. Over the entire period of the US military presence in Iraq, the value of KBR's contracts reached \$39.5 billion.³³ This sum was part of a total of \$138 billion in contracts related to military services and logistics and reconstruction. KBR was in top spot, followed by Agility (a Kuwait-based logistics company) and Kuwait Petroleum Corporation, with contracts worth \$7.2 billion and \$6.3 billion respectively.

As the violence in Iraq started to increase during 2004 the focus of US spending shifted from reconstruction to security. 'It doesn't mean that there won't be reconstruction, but it might mean that some of the activities that we were planning [...] might have to be slowed down,' Secretary of State Colin Powell said in August 2004.³⁴ This in effect marked the winding down of the short-lived US reconstruction effort.

At around the same time as Powell's statement, Perini Corporation announced that it had completed construction of a new power station in southern Iraq. It described it as 'the first new power plant to be constructed and commissioned in Iraq since 1976', saying it had validated the claim with both the US military and the Ministry of Electricity.³⁵ The company was stretching the truth, as there had been some expansions of existing plants during the 1980s, and the new station had the relatively small capacity of 40 MW. However, the statement did serve to highlight the scale of the task required to bring this basic infrastructure sector up to a satisfactory level.

At the end of the 1980s Iraq had total installed generating capacity of 9,000 MW, which was enough to meet domestic demand and allow for the export of a small surplus to Turkey. On the eve of the invasion, after 11 years of sanctions, capacity was down to 4,500 MW, and it was further reduced to 3,300 MW in mid-2003. Ten years on, according to the International Energy Agency (IEA), net capacity (taking into account the heavy losses resulting from the poor state of the transmission and distribution systems) is 9,000 MW, compared with peak demand of 15,000 MW.³⁶ The IEA estimates that 90 per cent of Iraqi households receive part of their power supplies from individual or shared generators. According to IEA projections, gross capacity will reach 60,000 MW by 2020, but given the slow pace of execution of new power projects it is unlikely that this target will be reached.

As security conditions started to show some improvement in the late 2000s, reconstruction work picked up, although by now most of the financing came from the Iraqi government, supplemented by private investment in certain sectors, such as telecommunications, and in certain areas,

33 Anna Fifield, 'Contractors reap \$138bn from Iraq war', *Financial Times*, 19 March 2013.

34 Economist Intelligence Unit, *Business Middle East*, 1 September 2004.

35 Ibid.

36 IEA, *Iraq Energy Outlook*.

primarily the Kurdish Regional Government zone. The government's development budget rose sharply in 2008 to \$19 billion, and has continued to increase since, reaching \$47 billion in 2013. However, the government has struggled to spend these huge allocations owing to administrative capacity constraints, political wrangling and security challenges. Moreover, the effectiveness of these public investments is continually undermined by corruption, one of the most complex problems Iraq will continue to face in the coming years.

9 Iraq's Paradox: Winning Democracy and Losing the Rule of Law

Kamal Field Al-Basri and Mudhar Sebahi

Since 2003, Iraq has faced a paradoxical situation whereby it has gained democracy, which is an achievement in itself, but has failed to develop an adequate rule of law, which is an important factor for economic growth as well as political stability. This chapter highlights key economic achievements, particularly driven by the rapid increase in oil revenue, and their limitations, which are largely due to the absence of the rule of law and sound institutions. Overall, it argues that international support is required both to assist Iraq with regulatory reform in order to have a better business environment and develop a more sound model of economic growth, and to improve the country's human development indicators (HDI), with the aims of making progress towards the Millennium Development Goals (MDGs) as well as enhancing the rule of law.

Economic development

Since 2004 there has been significant progress in a number of key macroeconomic indicators. Nominal GDP per capita has more than tripled in a decade, from US\$1,670 in 2004 to US\$5,400 in 2011.³⁷ While the economy remains heavily reliant on oil, the relative contribution of oil to total GDP decreased from 70 per cent in 2004 to 43 per cent in 2012 as other sectors, such as social services, finance and agriculture expanded more rapidly. Real GDP (measured by constant 1981 prices) increased from 41 trillion Iraqi dinars (ID) in 2004 to ID61 trillion in 2011. Moreover, average daily oil production has increased from a 2005 rate of 1.8 million barrels per day to 2.9 million barrels in 2012,³⁸ contributing to economic growth, exports and government revenue.

A number of human development indicators have also improved. While unemployment remains a major challenge, its rate has fallen from 28 per cent in 2004 to 15 per cent in 2011. The poverty rate – using the World Bank measure of the proportion of the population living on less than US\$1.25 per day – has been more than halved, from 54 per cent to 23 per cent. By comparison, during the sanctions era, the economy had been crippled, with the poverty rate at over 50 per cent and unemployment over 30 per cent according to the Ministry of Planning in 2003. Inflation has been reined in from the very high rate of 68 per cent in 2006 to 6 per cent in 2011, easing the pressure on the cost of living. The nationwide supply of electricity has more than doubled, though demand has been growing even faster and power cuts therefore remain a daily reality. A combination of negotiations and repayments has brought Iraq's external debt, which was one of the highest in the world, down from \$127 billion to \$54 billion. Government spending has more than tripled, from ID34trn to ID117trn (US\$100.7bn) between 2007 and 2012, and in 2013 Iraq is expected to achieve a real growth rate of 10 per cent.

37 All figures from Annual Yearbook of Statistics, Ministry of Planning, Government of Iraq, unless otherwise stated. Economic data are not of a high quality in Iraq at present, and the government is assisted by the World Bank and the UNDP in developing them.

38 According to the Iraqi Ministry of Oil. (Higher estimates are found in other sources.)

However, these positive numbers mask a number of challenges. Owing to the lack of sound institutions, the implementation of the national investment budget is poor, representing just 60 per cent annually in the period from 2005 to 2012. Furthermore, public spending is not driven by a robust economic strategy, particularly when it comes to public services. For example, although education spending is on average 9 per cent of total public expenditure, less than 10 per cent of the budget is allocated to investment. There is a shortage of over 5,000 schools, and over 40 per cent of existing schools are in need of reconstruction. In terms of educational achievements, the illiteracy rate is 28 per cent of the total population aged 10 years and over, while school dropout rates are 8 per cent in primary education and 9 per cent at the secondary level.

A substantial percentage of citizens are not satisfied with key services such as healthcare, education and electricity. Furthermore, the Iraqi government has failed to reform the inefficient public sector and to promote the development of the private sector. For example, the contribution of the private sector to GDP increased only minimally between 2004 and 2011, from 31 per cent to 35 per cent.

Iraq is heading towards a crossroads. With a rapid increase expected in oil revenues in the coming years, its economy will face two key challenges. First, the capacity to use its extensive financial resources to produce public services remains a challenge. Secondly, so does the ability to improve the rule of law and good governance. Both these issues are key concerns of Iraqi citizens.

The evolution of democracy

Despite substantial political hurdles, Iraq has made significant political progress relative to other countries in the region. This is exemplified by the holding of a referendum on a new constitution in 2005 and several national and provincial elections since 2005, which have produced peaceful handovers of power, with high levels of participation of diverse political parties in the current coalition. There has been greater decentralization. Moreover, there have been improvements in political freedom and human rights compared with the previous regime, though this is not to say that human rights abuses have ended. Press freedom has also been strengthened.

In assessing the overall development of Iraq, it needs to be recognized that democracy has not evolved naturally and that its maturity depends on the existing political culture and levels of education. Currently the function of cultural, religious and non-governmental organizations in promoting the rule of law and social cohesion is very limited. Unfortunately, politics in Iraq has evolved in the form of competition between political parties with ethno-sectarian dimensions. This has been at the expense of working to consolidate the fledgling democracy, and working to strengthen national institutions and the rule of law.

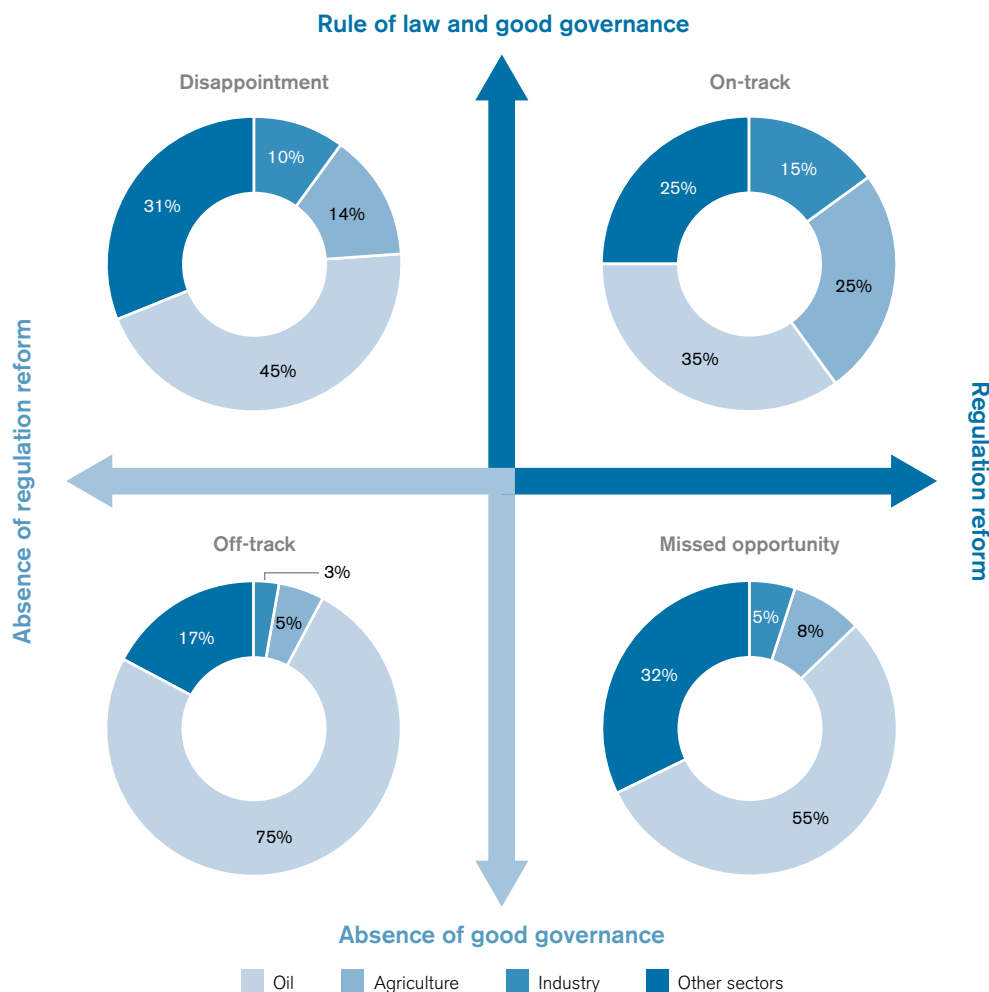
Growth and development cannot take place in the absence of a sound institutional environment. Institutions provide the necessary framework for transactions to take place in an orderly manner and for providing economic agents with the reassurance that their contractual rights are protected and enforced by law. In addition, economic stability can be provided only by good governance and sound economic policy-making. The weakness of institutions and the rule of law is a major reason why Iraq has failed to attract sufficient foreign direct investment, especially in non-oil sectors, which is vital for the development of its economy.

Policy options for the government

For Iraq to be on the path of economic advancement, it needs to address a number of key issues. Thorough reform of the regulatory system is required. Moreover, it is vital to focus on improving good governance and the rule of law. Improving human development indicators should be another priority, particularly through investing in education. Another option is for Iraq to develop and implement private–public partnership (PPP) initiatives, given the weak status of both the private and the public sector in terms of achieving high standards in the execution of projects. The implementation of PPPs with highly reputable organizations not only has the advantage of building the necessary infrastructure, but also assists in diffusing the use of best practices nationally for both the public and private sectors. Iraq could also follow the example of other countries that have created a sovereign wealth fund to save oil revenues for future generations. The resulting diversification of revenue sources would thus reduce the dependence on oil.

The progress of future reforms, both to the regulatory framework and to the rule of law in general, will help to determine the future prospects for economic growth. Figure 1 illustrates the implication of four possible reform scenarios on GDP structure, based on projections by the Iraqi Institute for Economic Reform. Iraq’s economic potential is undoubted but future policy choices will determine whether the opportunities are realized or missed.

Figure 1: Iraq’s economic performance under different reform scenarios



10 Oil Economics and Politics

Jon Marks

Much ado about oil

The US-led invasion of Iraq in 2003 was not ‘all about oil’, as many of its critics claimed at the time and continue to maintain a decade later. Western strategists undoubtedly weighed up the perceived benefits of controlling the country’s vast oil reserves, and the pursuit of ‘market stability’ was a factor in the calculations of the George W. Bush administration, but other drivers were also at work in the toppling of Saddam Hussein. What is undoubted, however, is the extent of Iraq’s hydrocarbons reserves, its oil and gas production and export capacity, which will remain critical factors in understanding the country’s politics, economics and international relations for the foreseeable future. Its proven oil reserves stood at 143.1 billion barrels at the end of 2011, the fifth largest in the world, and much of the country remains unexplored.³⁹ Such reserves will undoubtedly have a considerable influence on the fortune of global markets in coming decades – and have the potential to shape political relationships across the region, for good or ill.

Not only does the economy remain dependent on Iraq’s ability to bring its massive oil reserves to market – oil accounts for around 65 per cent of gross domestic product (GDP) – but national and regional politics are likely to be defined by the accommodations made in the division of rents from oil. This has been most apparent in the protracted standoff over oil sales that has defined relations between the national leadership in Baghdad and the Kurdistan Regional Government (KRG) in Erbil. It is also apparent in the unequal distribution of income around the country and in the deep concerns over governance.

In a business environment prone to graft, the authorities are formally committed to improving levels of transparency and accountability in the oil sector. Iraq became a candidate for membership of the Extractive Industries Transparency Initiative in 2010, and produced its first EITI report in 2011. The Ministry of Oil (MoO) has overseen a programme of installing metering systems, intended to help reconcile oil production and export data with budget revenues, to give clarity to the national accounts.

Oil defines both the economy and political behaviour. It elevated Iraq to middle-income status before the depredations of the 1980–88 war with Iran and 1990–91 invasion of Kuwait; while the International Monetary Fund (IMF) records that by 2004, per capita GDP had fallen to less than \$800 from \$3,400 in 1980.⁴⁰ Hydrocarbons rents once more offer the prospect of accelerated growth – reflected in the IMF’s forecast of GDP growing by around 10 per cent in 2012 – and the potential for large-scale investment in the hydrocarbons sector and other key areas, underpinning estimates by the government that some \$250–275 billion could be spent on infrastructure projects and other investments between 2012 and 2017.

39 *BP Statistical Review of World Energy, 2012*. Venezuela, Saudi Arabia, Canada and Iran have larger reserves.

40 International Monetary Fund, ‘Iraq Program Note’, 18 April 2013, <http://www.imf.org/external/np/country/notes/pdf/iraq.pdf>.

In the fitful, poorly managed recovery that followed the invasion, oil and gas output regularly failed to hit the projected targets. However, by July 2012, production had reached its highest level since the invasion, at 3.3m b/d (of which 2.6m b/d are exported), restoring Iraq to its status as the second-largest producer in the Organization of Petroleum Exporting Countries (OPEC).

Global market reach

For Iraq-boosters this is only a start. The Ministry of Oil has set a very ambitious production target of around 9m b/d by 2017. Whether this is feasible is questionable, but substantial growth is likely. In a special report on Iraq attached to its annual *World Energy Outlook* for 2012, the International Energy Agency (IEA) offered a 'Central Scenario' in which oil output more than doubles to 6.1m b/d by 2020 and reaches 8.3m b/d in 2035, mainly 'from the concentration of super-giant fields in the south around Basrah'.⁴¹ This would put Iraq in a situation where it might retain some spare production capacity, 'as a buffer against unforeseen circumstances' – a very attractive option for the IEA, which observes that currently only Saudi Arabia can offer such 'flexibility' in the global market. One might conclude that Iraqi leaders can look forward to being wooed as a potential 'swing producer' in global markets.

The IEA calculates that at an annual average of \$200 billion, 'Iraq stands to gain \$5 trillion in revenues from oil export over the period to 2035'. This level of development would require cumulative energy investment worth over \$350 billion. This, of course, has attracted keen interest from international oil companies (IOCs) and services providers. Their problem, so far, has been in finalizing workable projects and dealing with the MoO and a variety of often difficult stakeholders.

The Kurdish oil challenge

The scale of reserves in southern Iraq places them in the first rank of strategic priorities for the global energy industry. Less impressive in volume terms are reserves in the KRG. However, their importance to the Kurdish Region's future is incalculable. While Baghdad has moved fitfully towards reasserting its position as a major exporter in the past decade, the KRG has moved purposefully and to great effect to build up an oil industry potentially fit to finance a small country.

By the end of 2012, the KRG had awarded some 45 active production-sharing contracts (PSCs). While a dozen of these had either been relinquished or delivered dry wells, drilling was in progress on no fewer than 18 other blocks and development was planned on 15 (including several blocks already in production). As of January 2013, the KRG had production capacity of around 400,000 b/d, of which about 250,000 b/d were needed for domestic consumption, according to the Kurdish Natural Resources Minister Ashti Hawrami.⁴²

Data from the IOCs suggests the Gulf Keystone-operated Shaikan, Genel Energy's Taq Taq and Tawke (DNO) fields could together produce 500,000 b/d by 2014 – which is halfway to Erbil's 1m b/d production capacity target.⁴³

41 International Energy Agency, *World Energy Outlook Special Report: Iraq Energy Outlook*, 9 October 2012.

42 Julia Payne and Simon Falush, 'Iraqi Kurds woo more oil majors in contest with Baghdad' Reuters, 29 January 2013. <http://www.reuters.com/article/2013/01/29/kurdistan-oil-idUSL5N0AYFRY20130129>.

43 *Gulf States Newsletter*, Issue 937, p. 10, 6 December 2012.

This figure was thought ambitious until fairly recently, but is now apparently attainable given the other substantial discoveries that could be brought to development, potentially including the Atrush field, operated by Abu Dhabi National Energy Company (Taqa), Afren's Ain Sifni and Barda Rash fields, and at least two large gas fields.

Initially attracted to contracts tendered by Baghdad for operations in the south, IOCs have been drawn increasingly into the KRG by the Kurds' drilling success and by the problems even the most politically adroit majors confront when dealing with the MoO and its political masters. The Kurds have shown themselves able to attract a variety of investors, including those like Taqa (which also owns a 50 per cent stake in the Suleimaniya power station), which should have a heightened appreciation of the region's political sensitivities. (Taqa is controlled by Abu Dhabi's Crown Prince Sheikh Mohammed Bin Zayed al-Nahyan.)

Investors have bought into the KRG narrative despite the intensity of the conflict between Baghdad and Erbil over the KRG authorities' successful wooing of IOCs to sign PSCs that bypass the MoO. In Baghdad, Deputy Prime Minister for Energy Affairs Hussain al-Shahristani has said the KRG's unilateral agreements violate national law.⁴⁴

Kurdish oil has become a critical political issue. The KRG's PSC arrangements at first attracted smaller firms, which was not unexpected given the attractive terms offered, based on the PSC model that brought IOCs into the Gulf of Guinea and other 'frontier' territories. (When in exile Hawrami headed the UK-based geophysical company Exploration Consultants Ltd.) It also reflected the lack of opportunities offered to IOCs by a majority of Middle Eastern jurisdictions.

However, such has been the success of the KRG's licensing that major players have come in. These include ExxonMobil, which in 2011 became the first major to sign a contract for exploration blocks in the KRG. There have since been protracted meetings involving Exxon chairman Rex Tillerson, Maliki, KRG Prime Minister Massoud Barzani and other officials. Exxon has come under intense pressure to decide whether it will maintain its 60 per cent stake in the federal government's \$50 billion West Qurna 1 project or focus instead of its KRG production-sharing agreements (the al-Qush, Arbat East, Baeshiqa, Betwata, Pirmam and Qara Hanjeer acreage). These tensions have not stopped another US major, Chevron Corporation, from opting to sign up with the KRG.

Adding yet further to the sensitivities, contractors are gearing up for work on the KRG-licensed Qara Hanjeer field, in disputed territory just north of Kirkuk. Other companies must negotiate the political minefield, including BP, which has offered to work with Baghdad on rehabilitating the Kirkuk oilfield. Adding to the tensions is expectation that the KRG could offer new exploration blocks west and northwest of Mosul, and industry speculation about a 'mega-deal' with a Turkish state company.

The KRG is also seeking to create an independent export structure, which will strengthen its bargaining position with Baghdad, but could potentially take tensions between the centre and the periphery to breaking point. Kurdish oil has traditionally been shipped through Iraq's main export

44 It was recorded in a US diplomatic cable dated 13 December 2007 and published by WikiLeaks, see <http://www.cablegatesearch.net/cable.php?id=07BAGHDAD4046>: 'Iraqi Oil Minister Hussein Shahrstani told Treasury D/S Kimmitt that Prime Minister Maliki and President Talibani have written a joint letter to KRG President Barzani stating that the KRG's PSA arrangements with foreign companies are unconstitutional until they are reviewed by federal authorities.' Shahrstani has subsequently reiterated the charge of 'unconstitutionality' many times.

pipeline to Turkey, but this trade was suspended in December 2012, when the KRG complained that the central government had built up payments arrears on previous sales. For now, some crude exports leave by truck for Turkey. But a larger industry could support the construction of oil and gas export pipelines to Turkey, bypassing the MoO's long-established national pipeline system and aggravating the deterioration of relations between Baghdad and Ankara.

Worsening Iraqi–Turkish relations might also have an impact on other regional pipeline plans. Meanwhile, as the Kurdish Region's industry develops, and its political leadership digs in to protect its interests, there appear to be slim prospects of Baghdad and Erbil negotiating a detailed, workable agreement of the sort that had proved elusive even before the KRG had oil majors knocking at their door. Hydrocarbons hold the key to financing Iraq's reconstruction and modernization; they also provide the potential trigger for its next conflagration.

11 Iraq's Foreign Policy, Ten Years On⁴⁵

Jane Kinninmont, Omar Sirri and Gareth Stansfield

Since 2003, the literature on Iraq in the regional and international context has focused on it as the object of other countries' policies – especially those of the United States and of neighbouring states. Very little has been said about Iraq's role as a subject or actor in the realm of foreign policy. As a result of occupation for the better part of a decade, Iraqi foreign policy could not be decoupled from the policies of the occupying superpower, nor of the states that sought to influence and at times undermine the occupation. This is a marked change from the past. Iraq's foreign policy has historically been an extremely important factor in regional and international politics, so much so that other powers have developed a strong interest in seeking to influence it.

In an age where most violent conflicts involve sub-state actors, Iraq has been exceptional in being involved in three interstate wars in the last three decades. Against this backdrop, Western countries, Iran and the Gulf Arab monarchies, despite their different political and ideological orientations, have shared fears that Iraq might adopt expansionist policies (especially in the context of unresolved border disputes) or seek regional hegemony (whether through ideological power or through military superiority). Since its invasion of Kuwait in 1990, Iraq has been weakened by sanctions and by wars that have to some extent been designed to contain and neutralize its formerly aggressive foreign policy.

However, Iraq's impact on the region is not always a matter of a deliberate foreign policy pursued by the state. Given the country's geostrategic importance, cultural and religious weight, and extensive diaspora and transnational networks, internal changes have historically resonated beyond its borders, even when the state has not actively been trying to promote change elsewhere – as has also been the case with Egypt. This could be said, for instance, of the influence of Iraqi communism in the 1950s and 1960s or of the Da'wa party in the 1970s on other states in the region.

Thus much of the impact of post-2003 Iraq on the region has stemmed from the demonstration effect – and the competing narratives of – its internal changes – whether the shift to elected governments, the empowerment of new political elites (particularly from the Shia majority), the formalization of Kurdish regional autonomy, or the factional and sometimes sectarian violence. All these dynamics have, to some extent, destabilized the pre-existing regional status quo in different ways. They have been opposed by some – particularly the Gulf monarchies, which claim the region is not ready for democracy, and thus have little interest in seeing a successful one next door, and which have also had concerns about the influence Iraq could have on their

45 This chapter draws on the findings of a Chatham House research project on 'Iraq on the Regional and International Stage: National Interests and Foreign Policy Determinants and Dynamics', sponsored by the US Institute of Peace. The project aims to shed light on how Iraq's foreign policy is formulated and implemented, and on how Iraqis see foreign policy from different viewpoints, based on field research in Iraq as well as workshops in Washington and London. More information can be found at <http://www.chathamhouse.org/research/middle-east/current-projects/iraq>.

own Shia populations. On the other hand, they have been welcomed by others, particularly Shia and Kurdish movements in other countries that seek to advance their own positions within their respective nation-states.

Rebuilding the institutions of the state

The development of Iraqi foreign policy since 2003 needs to be seen in the context of the radical changes to the nature of the state. Following the years of sanctions, during which Iraq's institutions were weakened by a haemorrhaging of talent and by endemic corruption, much of the existing bureaucracy was dismantled as part of regime change and subsequent de-Baathification. The state's foreign policy capacity and frameworks have been affected by subsequent efforts to rebuild ministries as state institutions – arguably with more success in the foreign ministry than some others, as it has avoided being captured by a specific political faction – as well as more recent efforts by the prime minister's office to centralize power in its own hands. The foreign ministry has sought to re-engage with the international community, stationing diplomats with an explicit mandate to promote a neutral foreign policy agenda that seeks to avoid any conflict with other countries. It has emerged, in recent years, as a focal point in terms of an institutionalized process of foreign policy. At the same time, the prime minister's office takes a strong interest in certain strategically important relationships – specifically with Iran and with the United States – where top-level decisions may be made without the direct involvement of the foreign ministry. This has created some tensions at the highest levels of government. Importantly, Iraq is not an anomaly in this respect; any system of government is to some extent at the mercy of the personalities of those holding the positions of power.

According to Foreign Minister Hoshiyar Zebari, the longest-serving minister in post-2003 Iraq, 'the key issue for us after 2003 was to regain our sovereignty',⁴⁶ specifically by freeing the country from the many sanctions and reparations obligations to which it was subject under Chapter VII of the UN Charter, and by negotiating a peaceful and amicable end to the US military occupation. On both these strategic issues, where there was a fairly high degree of consensus among political factions, Iraq's foreign policy can be regarded as having been successful. The inability of the US government to secure immunity from Iraqi prosecution for those of its troops that it proposed would remain in the country should be considered a successful manifestation of Iraqi sovereignty and the 'normalization' of Iraqi-US relations.

Moreover, Iraq has largely avoided being seen as taking sides in the cold conflict in the region between Iran and the United States, as it has made it clear to both countries that it needs to work with each of them. However, when it comes to the Iranian-Saudi 'cold war', Iraq has increasingly been perceived as siding with Iran – though this attitude is domestically divisive, and to an extent the division falls partly along sectarian lines. The government claims that its overtures to normalize relations with the Saudi government have been rebuffed; Iraq operates a full embassy in Riyadh including an ambassador, but Saudi Arabia has not yet reciprocated with an ambassador in Baghdad.

The prime minister's party, Da'wa, has stated in its 2013 foreign policy vision that Iraq should not be part of a regional axis or bloc. It might be possible to build a consensus between Iraq's disparate factions in favour of taking a non-aligned position in regional politics, in order to avoid

46 Interview, Suleimaniya, March 2013.

either being drawn into any regional conflict or deepening the domestic divisions that already exist. However, distrust among political factions means that while this might represent the best compromise, there is significant scepticism about the implementation of any such policy.

Relations with neighbours are the most divisive issues

When it comes to some of the most divisive issues in Iraq's immediate neighbourhood, there has been far less unity between the internal factions, specifically on relations with Iran, Saudi Arabia and Turkey – and, since 2011, on both the understanding of and approaches to the conflict in Syria. These are all areas where political differences relate partly to ethno-sectarian identity politics, in a region where both great powers and leading regional governments seem to feel compelled to replicate a Cold War logic of a split into two camps (sometimes conceived of as pro- and anti-US or along sectarian lines – both apparently seductive grand narratives, though nuanced analyses of the region usually show a more complex reality). Indeed, Iraq is perceived by many of its neighbours to be in a pro-Iranian camp with Syria, Hezbollah and, to some extent, Hamas, at odds with a pro-Western and pro-Saudi camp headed by the Gulf monarchies (although the Arab transition countries are not so clearly aligned on either side). Certainly, there are no areas of foreign policy where Iraq is challenging Iran's interests in any substantial way. It should be noted, however, that the government has avoided directly challenging Saudi interests, for instance by offering any direct support to Bahrain's largely Shia protestors.

In the case of Syria, Iraq's official policy is to support a peaceful negotiated solution rather than backing either side in the conflict. Meanwhile, both the Iraqi and Syrian opposition accuse Maliki's government of providing support to the Syrian regime, while supporters of the prime minister have accused Iraqi Sunni militias of helping their Syrian counterparts (especially since Al-Qaeda in Iraq issued a statement announcing a merger with Jebhat Al Nusra, a Syrian militia, in March 2013). Fundamentally, there is no consensus in Iraq on the nature of the conflict in Syria. Maliki and his allies are primarily concerned with the spectre of the Muslim Brotherhood or even a Sunni jihadi group, presumed to be inimical to their interests, coming to power next door. Meanwhile Iraq's Sunni Islamists and some of the Kurdish leadership (especially the Kurdistan Democratic Party) see the issue as primarily an Arab Spring-style uprising against Baathist despotism, with which they should naturally be allied. All that said, there is a fundamental common interest between various political factions in preventing Syria's violence from spilling over into a renewed civil war in Iraq.

The disputes between the Kurdistan Regional Government (KRG) and the central government are mostly over issues within the existing state of Iraq, not foreign policy. Since 2011, however, more differences have emerged over relations with Turkey and Syria, as the KRG has developed a close relationship with Ankara, largely based on economic ties. The relationship between Ankara and Baghdad, by contrast, has deteriorated (largely over Syria and over the conviction *in absentia* of former vice-president Tariq al-Hashemi, now exiled in Turkey). The KRG is also broadly supportive of Syrian Kurdish aspirations to overthrow the Assad government, although its support is moderated by the need to avoid alienating Turkey, which has its own concerns about Kurdish aspirations for a Greater Kurdistan. A key point of contention is the KRG's desire for a pipeline that would allow it to export oil directly through Turkey.

Progress, often under the radar, is greater in some other areas. There is more consensus over the need to develop a new relationship with Kuwait, where diplomatic efforts have been made by both

sides to resolve outstanding border disputes, post-war reparations and the highly sensitive issue of Kuwaiti prisoners of war. One indication of progress was the resumption of direct flights between Kuwait and Baghdad in March 2013. Beyond the immediate neighbourhood, foreign relations are less domestically divisive. There are sound structural drivers for Iraq, like other regional oil exporters, to diversify its alliances away from the United States and towards emerging Asian powers, as its oil exports increasingly shift to China, and in order not to be excessively dependent on one country as a source of security and arms. Meanwhile, in 2012 Iraq overtook Iran as the second-largest supplier of oil to India, and the two countries have been regularly exchanging delegations to promote trade.

It nevertheless tends to be the most divisive and local issues that attract the most attention. Despite the best efforts of the foreign ministry, Iraq's foreign policy is often perceived as factionalized, personalized and influenced by other powers. There will always be elements of factionalization and personalization in any foreign policy; it is not unusual either in the region or internationally.⁴⁷ However, something more extreme occurs in the context of a weak, even penetrated state, where perceptions of deep divisions in the national political fabric weaken its international bargaining power. Such a situation encourages other countries to forge alliances with specific political groups on the basis of a perceived confluence between their interests and the factional considerations rather than the state's national interests – as has remained the case in Lebanon since it emerged from its own civil war in the 1990s.

In the end, it remains difficult to discuss and analyse Iraq's foreign policy without coming back to questions of basic national identity. These are likely to remain contested for the foreseeable future. Perhaps the most coherent dynamic that is emerging is the attempt by the various constituent parts of the state to seek to triangulate between different elements of Iraqi society and external powers in a complex and uncertain balancing act.

47 The UK debate over the Iraq war has even fed into the debate about Scotland's independence from the rest of the UK, with the leader of the Scottish Nationalist Party arguing on the tenth anniversary of the invasion that Tony Blair followed decisions taken outside the UK, namely in Washington.

12 Iraq and Iran

Hayder al-Khoei

Across the Middle East one usually hears two rival narratives of Iraq's new role in the region. Many believe the country is still run by the United States, which remains an omnipotent power behind the scenes despite having withdrawn its military forces in December 2011. Others say that the Americans inadvertently handed Iraq over to Iran on a silver platter. They argue that the latter is now in charge through its strong links with the Shia Islamist groups that dominate in Baghdad. The truth is somewhere in between, but how has Iran interfered in Iraqi affairs? How can Iraq–Iran relations develop over the next decade and where does Iraq fit into the broader region?

Iran wants Iraq to remain relatively weak and in a dependent relationship with it. Iraq wants to balance its relations with Tehran with its partnership with the United States while maximizing its autonomy from both. Iran is undoubtedly the most influential external player in domestic Iraqi affairs. However, that statement needs to be qualified by noting that Iraq is bordered by other influential neighbours that also have regional ambitions. To the north, Turkey is its largest trading partner. It sees Iraq as an arena to project its influence in the region, in much the same way as Tehran views the country. Turkey backs several of the 'opposition' figures in Baghdad who are – or were once part of – Prime Minister Nouri al-Maliki's failing coalition government. To the south, Saudi Arabia still has not come to terms with the new political order in Baghdad. Though Maliki's first foreign visit was to the kingdom, there has been no reciprocal visit. Foreign jihadists in Iraq who rely on fatwas issued by Saudi-based clerics to justify acts of terror are also an impediment to improving ties even as the two countries aim to increase security cooperation.

Further afield, the United States continues to support the Iraqi government and efforts are under way to implement the US–Iraqi Strategic Framework Agreement. The two countries have agreed to strengthen long-term diplomatic, economic, security and cultural ties. However, Iraq is also open to business with China and it is seeking to diversify its military supplies with a planned \$4 billion arms deal with Russia.

Iraqi decision-makers are in an uncomfortable position because they have to navigate through this complex regional and international environment. Often, politicians who align themselves too closely with one foreign state or its interests compromise their relationship with other states and their own domestic partners and rivals. Hence the notion that 'Iraq' does not have a foreign policy *per se* but that Iraqis have foreign relations.

Post-2003, Iran maintained a dual-track policy towards Iraq. It provided political support to successive Iraqi governments while providing funds and training to militias in Iraq that were undermining both the occupation forces and the Iraqi government. General Qasim Suleimani, the Iranian Revolutionary Guards Quds Force commander who is responsible for Iran's Iraq

policy, reportedly even once admitted to President Jalal Talabani that he had ‘hundreds’ of agents in his country.⁴⁸

Iran helped broker the 2008 ceasefire agreement between the government of Iraq and Moqtada al-Sadr’s Mahdi Army that were engaged in a civil war in Basra. Iran was able to play this role effectively because it provided support to both Maliki and Sadr. However, as Baghdad dealt the militias in Basra a strategic blow, Tehran tilted heavily towards Maliki.

Following the inconclusive national elections of 2010, Iran once again played a crucial role by convincing rival Shia groups to form the National Alliance, which became the core of the current government. In 2012, Iran even pressured Sadr to back away from the no-confidence vote that was being pursued against Maliki in parliament.

For the foreseeable future, the religious establishment in Najaf – one of the centres of Shia power and scholarship in the Islamic world – will continue to hinder Iran’s influence in Iraq. Led by Ayatollah Ali al-Sistani, the seminary of Najaf has a markedly different ideological vision from that of its counterpart school in Iran. Najaf does not accept the Iranian model of theocracy and sees a more moderate and limited role for the clergy in society. In January 2013, Sistani called for a ‘civil state’ in Iraq, which would be anathema to Iran.

Oil wealth will also become a game changer for Iraqi–Iranian relations. As Iraq becomes a more assertive player in OPEC and the region, there will be a fundamental shift in the balance of power between the two countries, which today is largely in Iran’s favour. This depends on the domestic stability of Iraq and how the current anti-government protests develop, however, as well as the outcome of the Syrian conflict.

Understanding Baghdad’s current policy on Syria also provides clues as to how Iraqi–Iranian relations may develop in the near future. On the surface, Iraq has repeatedly called for dialogue between President Bashar al-Assad and the Syrian opposition. Iraq sees a political solution as the only viable solution. Publicly, it takes a neutral stance and Maliki claims he is supporting neither Assad nor the opposition.

However, the United States accuses Iraq of allowing Iran access to its airspace in order to send weapons to Damascus. Furthermore, Iraq appears to be turning a blind eye to Shia militiamen who cross into Syria to protect the Sayyida Zainab, a holy shrine in Shia Islam in southern Damascus that attracts pilgrims from all over the Islamic world, from the Al-Qaeda affiliates that make up the most effective fighting forces of the Syrian opposition.

These actions reflect rational Iraqi fears of a Syrian spillover and are taken independently of Iranian interests or influence. On Syria, Iraqi and Iranian interests happen to be aligned. Iraq is worried that a victory for the rebels in Syria will mean a hostile post-Assad neighbour to the west and a resurgent Al-Qaeda at home, while Iran fears losing a vital ally and corridor to Lebanon and Hezbollah. These are two separate concerns. Iraq is still facing a serious security threat to its own stability and its policy on Syria largely reflects this.

Iraq also sees itself as part of the Arab world and wants to be more engaged with Arab affairs. It successfully held the Arab League summit in Baghdad in 2012 but was snubbed by powerhouses

48 Wikileaks cable, 07BAGHDAD229. <http://wikileaks.org/cable/2007/01/07BAGHDAD229.html>.

Saudi Arabia and Qatar, which sent low-level delegations – as did most of the Arab states that participated. The perception of Arabs who see Iraq as an exception owing to its Shia majority (and hence suspected links with Iran) essentially plays a role in making this a reality. The more the Arab world holds Iraq's Shia Arab majority at arm's length, the closer the country actually becomes to Iran. This is not inevitable, but when Saudi Arabia and Turkey back their rivals, many Shia Arabs see no choice but to become closer to Iran.

When asked what Iraq would do in the event of an attack on Iran, Maliki said in that 'Iraq will become part of the battlefield, but not part of the war'. This is indicative of how many in Iraq, regardless of their ethno-sectarian background, see themselves in this tumultuous region: stuck in the middle.

13 GCC–Iraq Relations

Kristian Coates Ulrichsen

Iraq and its southern neighbours in the Gulf have long-standing tribal and political connections and familial and commercial ties, although the nature of these has changed over time as the countries' respective political trajectories took very different forms. The two major inter-state Gulf wars between 1980 and 1991 were characterized by different dimensions of cross-border interaction that posed severe threats to regional stability and security. Iraq and the Gulf Cooperation Council (GCC) states are relatively young nation-states that contain multiple internal fault-lines or points of actual and latent friction, compounding their vulnerability to the dynamic interplay between domestic actors and regional or international events. Such interactions are increasing in the globalized era of largely unregulated flows of people, information and ideas. Yet the Gulf states have managed to avoid the worst overspill of conflict from the third Gulf war that began in 2003.⁴⁹

Governments in the six GCC states gave varying levels of political and logistical assistance to the US-led invasion of Iraq. Their role as administrative facilitators left them vulnerable to considerable levels of domestic opposition, with up to 97 per cent of Saudis opposed to any cooperation with an American invasion of Iraq.⁵⁰ Anti-war demonstrations occurred in other GCC states, whose policy-makers were put in the awkward position of having to balance their security ties with the United States with high levels of popular opposition to the invasion. This security dilemma prompted Gulf rulers to distance themselves publicly from the United States while privately offering encouragement and support to the effort to oust Saddam Hussein's regime.⁵¹

The elevated levels of public anger at US actions in Iraq formed part of a broader chorus of more general anger at the Middle East policies of the George W. Bush administration. In March 2007, in an unprecedented public display of anger at Saudi Arabia's primary security partner, King Abdullah went as far as to denounce the 'illegitimate foreign occupation' of Iraq. In this environment, the GCC states might have expected significant blowback owing to their geographical proximity to Iraq and their leaders' military and political ties with Washington. This, notably, did not happen: they implemented a range of hard security measures ensuring their relative immunity to the cross-border overspill of Iraq's multiple forms of human insecurity, such as sectarian conflict, terrorism attacks, and flows of refugees and displaced persons, which have had a far greater impact on Syria and Jordan.⁵²

49 Kristian Coates Ulrichsen, 'Basra, Southern Iraq and the Gulf: Challenges and Connections', LSE Kuwait Programme Working Paper No. 21, February 2012, p. 16.

50 Henner Furtig, 'Conflict and Cooperation in the Persian Gulf: The Interregional Order and US Policy', *Middle East Journal*, Vol. 61, No. 4, 2007, p. 638.

51 Ibid.

52 David Pollock, 'With Neighbours Like These: Iraq and the Arab States on its Borders', Washington Institute for Near East Policy, Policy Focus 70, 2007, p. 16.

Instead, the destabilizing flows of men and money ran largely in the opposite direction, from the GCC into Iraq, as the intensifying civil war sucked in anti-American groups and fighters from the Gulf and elsewhere (including Syria and North Africa). Between 1,500 and 3,000 Saudi militants joined the Sunni insurgency and constituted a significant proportion (up to 60 per cent) of the total number of foreign fighters in Iraq.⁵³ In Kuwait, members of two organizations of radical militants – the Peninsula Lions and the Mujahideen of Kuwait – also channelled fighters to the insurgency and mounted a number of attacks on US forces in the country. Other groups and individuals within Saudi Arabia and the smaller Gulf states were further suspected of providing large amounts of funding to various insurgent and terrorist organizations operating inside Iraq.⁵⁴

With the direct threat from Iraq more or less contained and domestic opposition ‘exported’ to the Iraqi insurgency, regional discourse in the Gulf focused instead on the perceived geopolitical and strategic implications for the balance of regional power. This revolved around GCC leaders’ concerns at the expansion of Iran’s influence following the removal of the regime that was its main counterweight in the Gulf. The Sunni regimes in the Gulf repeatedly expressed varying levels of alarm at the empowerment of Iraq’s Shia Muslims, which they feared could stoke unrest or greater political demands from their own Shia communities. As early as February 2003, Prince Saud al-Faisal, Saudi Arabia’s foreign minister, warned President Bush that he would be ‘solving one problem and creating five more’ if Saddam Hussein was removed by force. In 2005, he argued that the United States was ‘handing the whole country over to Iran without reason’. Saudi policy has thus focused on preventing certain scenarios, such as the disintegration of Iraq or the complete disempowerment of its Sunni communities, by supporting Sunni Islamist movements within Iraq.⁵⁵

The sectarian lens therefore constituted a powerful filter through which GCC ruling elites viewed developments in Iraq, especially as sectarian violence spiralled between 2005 and 2007. Led by Saudi Arabia, officials in the GCC deeply distrusted the government of Nouri al-Maliki, whom they suspected of being an Iranian proxy and an ideational threat to their own conservative status quo politics. This had significant implications in framing policy towards Iraq, generating a self-fulfilling cycle as the Gulf states’ reluctance to increase their political and economic engagement with the country enabled Iran to take the lead in many reconstruction and development projects.⁵⁶ Thus while investment from Kuwait and the United Arab Emirates has increased, notably in Iraqi Kurdistan, Saudi Arabia still has not posted an ambassador to Baghdad. The Emir of Kuwait was the only Gulf head of state to attend the Arab League Summit that took place in Baghdad in March 2012.

A number of issues remain unresolved as Iraq moves decisively into a post-American phase of sustained recovery and growth. Surging Iraqi oil production – which reached 3.4 million barrels per day in 2012 and is targeted to reach 6.1 million barrels per day by 2020 – could cause friction with fellow OPEC members Saudi Arabia, Kuwait, and the United Arab Emirates. As Iraq has overtaken Iran to become OPEC’s second-biggest producer, the issue of the country’s re-entry into the quota system has already contributed to a growing sense of rivalry with Saudi Arabia.⁵⁷

53 Thomas Hegghammer, ‘Saudi Militants in Iraq: Backgrounds and Recruitment Patterns’, Norwegian Defence Research Establishment, 2007, p. 11.

54 Ibid.

55 Kristian Coates Ulrichsen, *Insecure Gulf: The End of Certainty and the Transition to the Post-Oil Era* (London: Hurst & Co, 2011), pp. 40–41.

56 Kenneth Katzman, ‘Iran’s Activities and Influence in Iraq’, US Congressional Research Service, 2008, p. 6.

57 ‘Iraq, Saudi on OPEC collision course over next oil curb’, Reuters, 12 December 2012.

Kuwaiti policy-makers remain concerned about Iraqi arms acquisitions, while bilateral tensions remain over Kuwait's construction of a major deepwater port near the border with Iraq, which officials in Baghdad fear could choke their country's sole maritime access to the Gulf. This and other unresolved boundary issues retain the potential to cause future conflict between Kuwait and Iraq.⁵⁸ Similar uncertainty extends to the issue of Iraq's re-involvement in security frameworks in the Gulf and whether Iraq might one day seek to regain any perceived leadership position as a regional power.

More broadly, the badly mismanaged US-led invasion and occupation of Iraq has also left a legacy of lingering mistrust with America's Gulf allies. The flawed attempt to use Western military power to 'democratize' Iraq by force has unbalanced the regional political order and shaken GCC rulers' faith in America's Middle East policies. Moreover, the subsequent withdrawal of US support for President Hosni Mubarak of Egypt in 2011, and the problematic transition of political authority in Egypt and North Africa during the Arab Spring, arguably has built on these seeds of mistrust that were planted in 2003.⁵⁹ This has left Gulf rulers concerned that the United States has seemingly acquiesced in empowering the Muslim Brotherhood across the Middle East and taken an insufficiently anti-Iranian stance. As the shake-up in the wider region continues, any potential negotiations with Iran under a new president after the June 2013 election may test the US–Gulf relationship, which has been strained first by the Iraq war and recently by the Arab Spring.

58 David Roberts, 'Kuwait's War of Words with Iraq', *Foreign Policy*, 20 July 2011.

59 Kjetil Selvik and Stig Stenslie, *Stability and Change in the Modern Middle East* (London: I.B. Tauris, 2010), p. 230.

14 All Fall Down: The Wider Impact of the Iraq Invasion on Ideas

Nadim Shehadi

Even after ten years, the debate over the Anglo-American invasion of Iraq is far from rational. Rarely have politicians incited such high emotions as Tony Blair and George W. Bush, mainly because of their Iraq adventure. Iraq's image suffers most from this phenomenon: casualty numbers are inflated, the politics of a country in transition are described in catastrophic terms. The word 'neoon' is used more as a term of abuse than as a description of a set of ideas or as an offshoot of Trotskyism. The suggestion that anything positive could have come out of the Iraq episode is met with ridicule or, more often, with outrage.

In the United States and Europe, the impact of the Iraq war on ideas and on policy is still present, influencing decision-making over such important developments as the Arab Spring and the revolution in Syria.

Western policy, certainly by 2007, had shifted away from Bush's Freedom Agenda towards a crude form of realism in which the dictators of the region were newly re-engaged and rehabilitated. It also was assumed at the time that the war had consolidated dictatorships rather than weakened them and that populations were clinging more to their rulers after seeing the chaos that had followed the removal of Saddam in Iraq.

The contrast is best illustrated by a comparison between the atmosphere at the G8 Sea Island summit in 2004, which was all about encouraging change in the Arab world, and President Barack Obama's 2009 speech in Cairo. The net effect of the latter was to reassure the dictatorships in the region that no Western values would be imposed on them, and that their specificities and historical circumstances were to be taken into consideration.

Another illustration of the shift to realism in Europe lies in the contrast between the mood in 2003 and that in 2008. The dictum of the then EU High Representative for the Common Foreign and Security Policy, Javier Solana, in 2003 that European security depended on being surrounded by a ring of well-governed states was the rationale behind the European Neighbourhood Policy. This aimed to help transform the countries of the southern Mediterranean with the tools used during the process of EU enlargement in Eastern Europe after the fall of the Berlin Wall. The image that illustrates the change towards realism by 2008 is that of the launch of President Nicolas Sarkozy's Union for the Mediterranean: a podium where European leaders stood surrounded by a ring of the leaders of badly governed states gathered there in order to forget about values and to do business. The rush to Damascus and Tripoli to engage with Bashar al-Assad and Muammar Gaddafi respectively also illustrates that shift back to realism, largely as a reaction to what was perceived as the fiasco in Iraq. In the battle of 'values versus interests', the latter took prominence while only lip service was paid to the former.

The Arab Spring in 2011 took the world totally by surprise. The West, in particular, was unprepared to understand the phenomenon.⁶⁰ Opinions of the revolution in Syria are highly influenced by the experience of Iraq, with some cheering change but with the ‘devil you know’ realists still reluctant to support it. Even statements openly calling for Assad’s departure often contain caveats indicating concern about what lies beyond his regime.

Almost all the Arab and regional leaders were opposed to the Iraq invasion and saw any success coming out of it as a huge threat to their position. Arab unity and regional cooperation were at best manifested in a joint effort to spoil things for the Americans in Iraq. They contributed to igniting a civil war in 2006–07 and some had a hand in encouraging and financing terror attacks in Iraq at the same time, while others encouraged anti-US protests. Another reaction was to initiate cosmetic reforms, described by Steven Heydemann as ‘upgraded authoritarianism’,⁶¹ whereby regimes pretended to reform and liberalize, and allowed for a regime-sponsored civil society to emerge.

It now appears that the message received on the Arab street has been very different from that received by the West. The fall of the statue of Saddam Hussein demystified the power of dictatorships that had hitherto seemed eternal and unbreakable. Throughout the 1980s and 1990s, regimes in the region had become more autocratic and more oppressive. Dissent and protest were brutally and successfully suppressed. The regional order was stagnant and no change seemed possible. When the Iraqi regime crumbled, its previous power seemed like an illusion, and the myth was broken further by the sight of the Iraqi leader being tried by a court for his crimes and confronted by his victims.

What followed was a revival of opposition and protest movements in the region, emboldened by the perceived international support, and with the regimes on the defensive appealing to the war on terror for Western support in suppressing them. But the genie was out of the bottle: whether in Beirut, Damascus or Cairo, the idea that change was possible was difficult to contain.

The Iraq war presented several dilemmas for Arab oppositions. Many resented the foreign military intervention and were sceptical about its motives. Arab nationalist anti-imperialist rhetoric, plus the fact that regimes always accused their opponents of being foreign agents, clashed with the perceived support for democracy and, after Iraq, actual regime change. The West was either the invading enemy or the supporter of freedom and it was difficult to reconcile the two. It was thus to be either fought or emulated.⁶² What seemed to be a zero-sum game between freedom and Arab nationalist ideas that lent the regimes their legitimacy was also part of the soul-searching and re-examination of the state of affairs after the shock of the Iraq invasion. Traces of this process can be seen in some of the manifestation of the Arab Spring: statues are ceremoniously toppled in the same manner as Saddam’s statue, but one can also see proud declarations of having done it without outside help. In addition, the youth in particular have adopted elements of American pop culture in their music and dress.

The regimes that have been collapsing across the region since 2011 are variants of a model similar in form, if not in absolute degree, to that of Saddam Hussein’s Iraq. A whole system of ideas fell with that statue in 2003 and shook the region out of its stagnation, more than troubling the sleep of other dictators in the process, and with good reason.

60 Nadim Shehadi, ‘Egypt Crisis: Re-evaluating Risk in the Middle East’, Chatham House, 31 January 2011, <http://www.chathamhouse.org/media/comment/view/163021>.

61 Steven Heydemann, ‘Upgrading Authoritarianism in the Arab World’, Saban Center Analysis Paper Series, No 13, Brookings Institute, October 2007, <http://www.brookings.edu/research/papers/2007/10/arabworld>.

62 Nadim Shehadi, ‘The War of Ideas’, *The World Today*, Vol. 59, No. 6, May 2003.

Imagine the cast of characters in the League of Arab States summit in Beirut in 2002. In addition to Saddam Hussein there was Hosni Mubarak of Egypt, Zein El-Dine Ben Ali of Tunisia, Ali Abdallah Saleh of Yemen, Qaddafi of Libya and Assad of Syria: all comfortable in their seats at the table, all now gone, replaced by their erstwhile opponents, and the process may still only be at its beginning. The opening session of the latest summit in Doha in March 2013 March saw a totally new cast in the seats reserved for Egypt, Libya, Tunis, Yemen and Syria, and a whole new set of ideas being aired.

This is not the first time such regional change has happened. When Gamal Abdel Nasser was an officer in the Egyptian army, the myth goes that he was heroically resisting a siege by Israeli Haganah forces in the village of Falluja near Gaza in 1948 when an order from Cairo arrived for him to withdraw. He is then alleged to have concluded that the defeat was caused by the liberal pro-Western regime in Cairo and other Arab capitals and that no victory was possible without changing that set of rulers. With similar stories emerging throughout the region, the ideas behind the regimes were seen to be bankrupt and those that could not adapt fell one after the other and were replaced by nationalist 'free officers' along the Nasserist model. The challenge to that model grew, in turn, after Nasser's defeat in the 1967 'Six-Day War' and Islamists started to gain power through their alternative slogan, that 'Islam is the answer'.

But this time we may be witnessing an even greater set of changes linked to global developments at a time when the 20th-century state itself is in decline.⁶³

The genesis of the 20th-century state in the Middle East originates in the first half of the 19th century with the introduction of reforms aimed at modernizing the institutions of the Ottoman empire as well as at transforming its subjects into citizens with equal rights. These *Tanzimat* were also meant to strengthen the loyalty of faraway, mainly non-Muslim provinces of the empire, thus discouraging separatist or budding nationalist movements. This path eventually led to Kemalism in Turkey after the First World War, an extreme form of imposed reform creating a secular nationalist model that sought not only to eradicate ethnic and religious differences, but also to create uniformity in the national dress code and language. A parallel process evolved in the Arab provinces of the empire and eventually culminated in the similar homogenizing ideology of Arab nationalism.⁶⁴

The Ottoman reforms were opposed by Islamists across the empire who resented the concept of recognizing equality between believers and non-believers in addition to the clash between the concepts of nation-state and Umma. This intensified with the dissolution of the caliphate by Mustafa Kemal Ataturk in 1923. From there evolved a duality represented by the cohabitation and clash between nationalist and Islamist agendas throughout the region which may now be collapsing.

It is too early to say where or what the Arab Spring is leading to, not least since the ideas now emerging behind the recent revolutions are against the whole system, namely, against both the nationalists and the Islamists, as illustrated by developments in Egypt. Identities that were suppressed by both Islamists and nationalists are also reappearing on the political scene. What will emerge from this interaction is probably for the next generation to find out. But if this was all triggered by the Iraq invasion, then it is safe to say that the neocons definitely did not know what they were doing.

63 Nadim Shehadi, 'The burden of a Long Century', *New York Times International Weekly* edition, 13 January 2012, <http://nyweekly.com/columns/intelarchives/01-13-12/>.

64 Hasan Kayali, *Arabs and Young Turks: Ottomanism, Arabism, and Islamism in the Second Constitutional Period of the Ottoman Empire, 1908-1918* (Berkeley, CA: University of California Press).

15 The Myth of 'Democracy at the Barrel of a Gun'

Jane Kinninmont

Among the multiple justifications given for the invasion of Iraq in 2003 was the idea that the coalition's removal of Saddam Hussein would help to bring democracy to the country, creating a model that would then have a domino effect on the rest of the Middle East. Since then, authoritarian and conservative forces across the region have held up Iraq as an example of why a supposed Western desire for democratization is not in the interests of the people of the region or, in their view, why democracy is alien, inappropriate, a Trojan horse for imperialism, or a rapid route to chaos and terror – all tropes that recur repeatedly in regional media and official speeches. The Arab uprisings have indicated that these arguments against democracy are not enough, but the uncertainty, unrest and economic turmoil in Egypt have again been used by conservative forces as a basis to argue that democracy is something to be frightened of, or something that simply will not work in the Arab world. Such arguments have been made in every area of the world, including all countries that have subsequently become democracies.

It has also become the conventional wisdom – to the point of cliché – in many discussions in Western conferences and academia to depict Iraq as an example of why democracy cannot be imposed 'at the barrel of a gun', or imported by foreigners, or forced on people from the top down against their will. The corollary that is sometimes added is that the West – uncritically and implausibly assumed to be naively pushing for democracy because of its generally benign attitude towards all people in the world – should instead leave people in their supposed natural state of authoritarian rule rather than imposing its own cultural values, which are, again, presumed to be values of democracy, human rights and so on. It is presented as though the invasion of Iraq was motivated largely or entirely by an altruistic desire to share democracy.

This is asserted despite the long history of Anglo-American great-power involvement in the Middle East, which has, for the most part, not involved an effort to democratize the region. Rather, the general trend has been to either support authoritarian rulers who were already in place, or to participate in the active consolidation of authoritarian rule, including strong military and intelligence cooperation, as long as these rulers have been seen as supporting Western interests more than popularly elected governments would. For most of the 20th century, and most of the last decade, there has been support for limited reforms in allied states insofar as these have been seen as making existing regimes more palatable and sustainable while not threatening fundamental Western interests. Conversely, support for democracy in Iran is based on the oft-made, if untested, assumption that the Iranian public would be more pro-Western than Iran's rulers.

In the case of Iraq, the main legal and political argument that was made internationally was Saddam's then presumed and much-hyped possession of weapons of mass destruction (WMDs). This was seen as threatening the stability (from an international point of view) of a sanctions regime that devastated the Iraqi state but kept its abuses largely contained within its borders, while also keeping Iraq's oil production tightly limited. Realist interpretations of the motivations

for war focus on the perception that containment would break down because of suspected WMDs combined with risks to the US–Saudi relationship, which was severely tested by 9/11.

Yet the writings and speeches justifying the war also constructed a more idealistic narrative about democratizing the Middle East. While the focus on Iraq's lack of democracy (like that on the Taliban's abuses of women in Afghanistan) was conveniently selective – motivated more by Saddam Hussein's challenging of Western interests than by his human rights abuses – the rhetoric coming out of the United States temporarily suggested that it genuinely was considering a broader change in its approach to dealing with dictators in the Arab world.

Particularly notable was the comment by Secretary of State Condoleezza Rice in her speech at the American University of Cairo in 2005, that for 60 years the United States had pursued stability at the expense of democracy in the Middle East – but had achieved neither.⁶⁵ 'Now, we are taking a different course,' she said, and went on to criticize key US allies, including her Egyptian hosts, for their repression of peaceful democracy activists, while pointing to signs of hope for democracy in Iraq, Syria and Lebanon, as well as among the Palestinians. Authoritarians in the region were worried enough to show subsequently that they were at least willing to undertake some baby steps towards more representative institutions. Yet when the examples of democracy became less attractive from a Western viewpoint – notably with the election of Hamas in the 2006 Palestinian legislative elections – and as Iraq descended into a brutal civil war, the policy focus moved back to stability and traditional alliances. The demonstration effect of Iraq was blunted, and US policy towards other countries continued to emphasize support for existing allies. While democracy promotion initiatives often unnerve US authoritarian allies in the region – as seen in the closure of the National Endowment for Democracy office in Egypt and the National Democratic Institute office in United Arab Emirates in 2012 – they are often regarded cynically by local democracy activists. While US spending on democracy promotion initiatives, broadly speaking, in some of the region's countries has increased in recent years, it remains far below military and security assistance to the regimes concerned.⁶⁶

The use of democracy promotion narratives to help legitimize the Iraq war has been convenient for the region's authoritarians as it has helped them to de-link the idea of national self-determination from that of democracy, and to pretend that democracy is a foreign and imperialist agenda. By contrast, in political transitions in Southern Europe and Latin America in the second half of the 20th century, democratization happened more often in the wake of retreating empires than as a result of conquest. After all, without foreign support, local elites become more dependent on local sources of power and legitimacy, which may (but certainly do not always) include a more consent-based democratic bargain. In the Gulf area, the strongest parliaments, in Kuwait and Bahrain, were established after the retreat of the British empire as ruling elites sought new implicit social contracts as well as wanting to bolster national political frameworks to counter the appeal of pan-Arab nationalism.

More recently, in Egypt, Tunisia and Yemen, Western countries have sought to influence but not to block political transitions – but they have largely been in the position of reacting to changes that began locally and that, at least initially, took them by surprise. They actively supported regime

65 Condoleezza Rice, 'Remarks at the American University in Cairo', 20 June 2005, <http://2001-2009.state.gov/secretary/rm/2005/48328.htm>.

66 Stephen McInerney, *The Federal Budget and Appropriations for Fiscal Year 2013: Democracy, Governance, and Human Rights in the Middle East and North Africa* (Project on Middle East Democracy, July 2012), <http://pomed.org/the-federal-budget-and-appropriations-for-fiscal-year-2013-democracy-governance-and-human-rights-in-the-middle-east-2/>.

change in Libya, reflecting both a desire not to stand by and watch a massacre – at a time when intervening was seen as being politically and logistically relatively straightforward – and a belief that the Libyan opposition represented an alternative leadership willing to work with the West. They have broadly supported the opposition in Syria, but this support has been indirect and at times half-hearted, as both the logistics of intervening and the options offered by the opposition have seemed less straightforward. However, support for regime change in certain cases is not the same as supporting democracy, as is evident from the very different attitude to protest movements in the Gulf countries (which have also generally supported regime change in Libya and Syria, while in other cases actively rejecting the principle of democracy for the Arab world).

Preventing the emergence of future Saddams would require an approach that focuses on objections not so much to individual dictators at specific times, but to dictatorship and oppression themselves, even when practised by countries that are allies. A realist would suggest such an approach is unlikely; however, a constructivist approach to international relations would note that international political norms vary over time: such long-standing traditions as slavery and colonialism are now seen as internationally unacceptable, even if examples persist in disguised and reinvented forms. Greater consistency would make opposition to dictatorship and oppression more compelling. Otherwise, lofty statements by Western officials on democracy and human rights will continue to be viewed with some cynicism across the Middle East.

16 A United States Preoccupied with Introspection

Jane Kinninmont and Omar Sirri

Since the election of Barack Obama to the US presidency in 2008, the United States has been gradually disengaging from Iraq on multiple levels. Alongside the troop drawdown and eventual withdrawal at the end of 2011, politicians, diplomats and mainstream media outlets have stepped back from Iraq, leading to a change in American consciousness, which no longer places Iraq front and centre. At the same time this disengagement reflects public opinion at a time when austerity at home is unlikely to encourage adventurism overseas – also seen in the debate about intervening in Syria, which has been heavily influenced by the narrative about Iraq⁶⁷ – as well as the expressed intention of the Obama administration to focus more on Asia than on the Middle East.

The mainstream narrative is one that represents the Iraq war as a mistake or a disappointment, especially compared with the grandiose aims that were suggested at the time: removing Saddam Hussein and his (in the event non-existent) weapons of mass destruction; striking a blow at Al-Qaeda and advancing in the global ‘war on terror’; taking out a link in the supposed ‘axis of evil’; installing a US-friendly democracy that would inspire democratic change across the region;⁶⁸ and (also referenced in some of the analysis at the time) unleashing greater oil production and even contributing to the Israeli–Palestinian peace process. Even the most positive evaluations of the impact of the war are now more humble. Meanwhile, its material costs have been estimated at between \$820 billion and \$3 trillion;⁶⁹ of the roughly \$60 billion allocated by the US government for the rebuilding of Iraq, at least \$8 billion was found to have been ‘wasted’.⁷⁰ In terms of human cost, 4,488 Americans were killed. Iraqi deaths are still uncounted, but estimated at up to 134,000.⁷¹ Different commentators blame failures either on arrogance and overreach, or – perhaps most arrogantly of all – on some unexplained cultural inadequacies of Iraqis themselves.

In the United States, the discovery that the intelligence about Saddam’s arsenal had been over-hyped, and that official attempts to link Iraq with Al-Qaeda were essentially fictitious, may have helped solidify public disillusionment with the narrative of American political elites. Partly in response to this erosion of trust – and partly because Obama and his team were elected on a political platform that explicitly opposed the war before it was waged – it has been in the interests of the new, Obama-era political elites to distance themselves both from the war and from Iraq itself, and to blame policy failures on the previous elites rather than on institutional or national

67 See, for instance, Thomas L. Friedman, ‘Syria is Iraq’, *New York Times*, 24 July 2012, <http://www.nytimes.com/2012/07/25/opinion/friedman-syria-is-iraq.html>. See also Chapter 14 in this report.

68 Ole Holsti, in *Public Opinion on the Iraq War* (University of Michigan Press, 2011), argues that this argument was brought to the public relatively late in the day, being expounded in particular in Bush’s 2004 inaugural address.

69 Linda J. Bilmes and Joseph E. Stiglitz, *The Three Trillion Dollar War: The True Cost of the Iraq Conflict* (New York: W.W. Norton, 2008).

70 Stuart W. Bowen Jr., ‘Learning From Iraq’, Special Inspector General for Iraq Reconstruction, <http://www.sigir.mil/learningfromiraq/index.html>.

71 This is the upper limit of the estimate provided by Iraq Body Count, the largest public database of violent civilian deaths in Iraq, <http://www.iraqbodycount.org/>.

failures. This has been facilitated by a deep partisan divide over the war (in contrast to the United Kingdom, where the two major political parties both supported the invasion).

Of course, by the time disengagement from Iraq came in 2011, it had to be portrayed as a relative success. Policy-makers and generals can argue that Iraq is now ‘a partner, not an adversary’,⁷² that the world is a better place without Saddam Hussein, and that the United States gave Iraqis a great opportunity. Yet John Kerry’s first visit to Iraq as secretary of state in March 2013 was dominated by American desires to see Iraq work harder to prevent Iranian matériel from reaching the Syrian government – exemplifying both the differences between the two countries on Syria and Iraq’s ongoing struggle to emerge from the shadow of occupation and become a more independent foreign policy actor.

The US debate about whether the war was worth it, ten years after the invasion, is taking place at a time when Americans are preoccupied with introspection, questioning the future basis of their economy and their place in the world. Here the broader questions about whether the United States can manage the transition away from a unipolar world in which it was briefly the sole superpower to a multipolar state system without becoming embroiled in a ‘hot’ conflict have yet to be answered. Uncertainty about the possibility of the United States ceding its superpower role to China is not just an abstract preoccupation for strategic planners in the business, policy or think-tank worlds, but something that resonates with ordinary people fearing for their jobs. Asia is a natural priority for US forward strategy at this point as a result.

Meanwhile, there seems to be less appetite for overt international power projection in a Middle East where the costs of engagement are relatively high and the direct benefits not always clear. This is reflected in the now (in)famous meme of Obama’s foreign policy as ‘leading from behind’, as in NATO’s intervention into Libya. For the US public, the initial images of the Arab Spring have turned from media-friendly Twitter revolutionaries to bearded Muslim Brothers, even though these characterizations oversimplify both the desire of youth activists to chart a path independent of full Western support for their cause, and the need for the varying strands of political Islam to navigate delicately between people’s democratic expressions. In the United States there is a major gap between public opinion, still extremely suspicious of all forms of political Islam, and the views of an administration enjoying something of a honeymoon with the Muslim Brotherhood.

In the coming years, greater energy self-sufficiency will further reduce the United States’ need to import oil directly from the Gulf, though its interests in maintaining stable oil markets will remain. For voters religious identity politics, media attention and the construction of international threat perceptions mean that Israel and Iran still matter; and for the military the projection of power in the Gulf may remain important to maintaining some sort of superpower status (even if it is as one of several superpowers). However, projecting power does not necessarily have to involve major deployments of troops. Possibilities of a lighter military footprint combined with an ‘over-the-horizon’ capacity are being debated, in a context of defence budget cuts and a strategy that targets a ‘smaller and leaner’ Joint Force,⁷³ even though the administration has been keen to reassure its Gulf allies that their security remains a US priority.

72 Quotation from a presentation by General Martin Dempsey, Chairman of the US Joint Chiefs of Staff, at a roundtable hosted by the Centre for Strategic and International Studies, Washington, DC, 22 March 2013. Transcript available from Saudi–US Relations Information Service, ‘Stronger Together: CSIS Gulf Roundtable with CJCS Gen Martin Dempsey’, <http://www.susris.com/2013/03/22/stronger-together-csis-gulf-roundtable-with-cjcs-gen-martin-dempsey/>.

73 Department of Defence, *Sustaining US Leadership: Priorities for 21st Century Defense*, January 2012, http://www.defense.gov/news/Defense_Strategic_Guidance.pdf.

Back in 2005, there was speculation that the United States would retain tens of thousands of military personnel in long-term 'super-bases' in Iraq.⁷⁴ But large, visible troop deployments came to seem too costly in the face of concerted and violent Iraqi opposition. Meanwhile, in contrast to earlier speculation that the United States would maintain a vast 'super-embassy', in Baghdad, the number of US diplomatic personnel stationed in the country has been reduced, from 16,000 in 2012 to 10,500 as of March 2013.⁷⁵

US policy remains committed to supporting Iraq's elected government under Nouri al-Maliki, and supporting the territorial integrity of the nation-state, which means continuing to mediate between Baghdad and the Kurdistan Regional Government (KRG) over the main issues that divide them, namely the oil law, the status of the *peshmerga* (Kurdish armed forces) and the disputed territories. The State Department has said it does not support the export of oil from Iraq without the appropriate Iraqi government approvals,⁷⁶ though it has not intervened directly with US oil majors that are investing through contested contracts in the KRG area. Meanwhile, a number of former senior officials from the Bush administration have become consultants to these companies.⁷⁷

Perhaps most striking is that ten years on from the most costly foreign policy decision made by an American president in a generation, it is difficult to speak of any kind of 'big win' for the United States in its relationship with Iraq. Cognizant of an American public that no longer wants to hear of Iraq, the United States is struggling to build a constructive relationship with a country it chose to invade and occupy for nearly a decade. There is also only a limited recognition in American public debate of the impact of Iraq on the image of the hitherto 'invincible superpower' in the wider Middle East and North Africa region. That the American military could remove Saddam Hussein and engineer regime change left no one in any doubt. Whether it could or would do so again, however, has affected political calculations across the region in subsequent years, along with the visible inability of the United States to reconstruct a better-functioning state on the ruins of the one it cast down.

74 Oliver Poole, 'Football and pizza point to US staying for long haul', *Daily Telegraph*, 11 February 2006, <http://www.telegraph.co.uk/news/worldnews/northamerica/usa/1510237/Football-and-pizza-point-to-US-staying-for-long-haul.html>.

75 According to US Ambassador Robert S. Beecroft, cited by Associated Press, 'US Diplomatic Presence in Iraq Shrinking Fast', 20 March 2013.

76 Daniel Dombey and Guy Chazan, 'Turkey and Iraq Kurds close to energy deal', *Financial Times*, 12 December 2012, <http://www.ft.com/cms/s/0/e8a5bbc8-446f-11e2-932a-00144feabdc0.html#axzz2OfxYmRA>.

77 Ben Lando, 'Exxon hires ex-U.S. officials to navigate Iraq', *Iraq Oil Report*, 8 February 2013, <http://www.iraqoilreport.com/business/companies/exxon-hires-ex-u-s-officials-to-navigate-iraq-9864/>.

17 Israel: A Decade After the War in Iraq

Yossi Mekelberg

In the uncertain environment of fast unfolding events in which Israel operates, the invasion of Iraq seems like a distant memory. The country today is far more preoccupied with Iran and the impact of the political transitions in the Arab world, especially in Egypt and Syria, than with current Iraqi politics. Formerly, however, Iraq under Saddam Hussein was seen as one of Israel's main strategic challenges in the region. During the 1991 Gulf War it was on the receiving end of Iraq's missile attacks – an attempt to get it involved in the war and thereby destabilize the military coalition against Iraq. On that occasion Israel, under considerable pressure, showed restraint. Twelve years later Iraq had no military capability left to repeat such unprovoked aggression. Still, most major changes in the Middle East have some impact on the Arab–Israeli conflict or on Israeli security, and the war in Iraq was no exception.

While the 1991 war exposed Israel's difficulty in protecting its most populated urban centre from missiles, its vulnerabilities were further painfully exposed in 2003 by a campaign of suicide bombing carried out by Palestinian militants following the collapse of peace negotiations in Camp David two-and-a-half-years earlier. Meanwhile the Iraqi threat, conventional or unconventional, seemed much more remote, and Israel's military was engaged in a battle to contain the second Palestinian Intifada. Moreover, Israel's strategic focus started to shift towards Iran's nuclear programme. Yet elements within the administration of Prime Minister Ariel Sharon were more than happy to encourage the George W. Bush administration to take military action aimed at removing the Iraqi dictator. They provided the United States with carefully selected intelligence on Iraq's supposed possession of weapons of mass destruction.

In the months leading up to the 2003 invasion, the security establishment in Israel, including the intelligence community, was far from united regarding any weapons of mass destruction Saddam Hussein might have. Nevertheless, those in Israel, and also its friends in Washington, who supported regime change in Baghdad saw two main strategic benefits from this. First, subscribing to the neoconservative argument, removing Saddam Hussein from power and installing what was assumed to be a less hostile regime would eliminate the last potential member of the so-called Eastern Front. For most of the 1970s and 1980s, such a front consisting of Iraq, Syria and Jordan was a major strategic concern for Israel, but this perceived latent threat receded considerably as a result of the peace treaty with Jordan in 1994 and the lack of modernization of the Syrian army following the collapse of the Soviet Union. Nonetheless, for the United States and its allies to crush the military capabilities of a hostile Iraqi regime was certainly appealing to Israeli interests. A sense of retribution for the missile attacks of 1991 may also have been in play. Neoconservative strategic thinkers in Washington and their counterparts in Jerusalem perceived regime change in Iraq as part of a wider change in the Middle East, which would be more conducive to their national interests. This view was also based on optimism about achieving such change by force (which is in contrast to the mood in Washington today). A future military attack against Iran's nuclear programme might become

more likely if a similar view of the utility of force again came to dominate government in Israel and the United States concurrently.

It was also argued at the time that ousting Saddam Hussein would benefit the peace process between the Israelis and the Palestinians. From the beginning of the second Intifada, the Iraqi government supported the families of Palestinian suicide bombers by giving them sums ranging from \$10,000 to \$35,000 each, as part of Saddam's efforts to portray himself as the champion of the Palestinian cause and thereby draw the support of the masses in the Middle East. It was argued that, since the Iraqi regime supported the families of suicide bombers, the removal of Saddam from power would make it easier to bring the Intifada to an end and to embark on another peace initiative. Nevertheless this assertion seems with hindsight rather naive, if not deliberately deceptive. The fact is that Saddam's involvement in the Israeli–Palestinian conflict was marginal.

There is a wider lesson to be drawn from this mistaken view. Foreign involvement in either prolonging or trying to resolve the Israeli–Palestinian conflict has always been a feature of that conflict. However, much of the reason for the lack of solution lies closer to home. It derives from the intricacies of the conflict itself and lies within the behaviour of the Israeli and Palestinian protagonists, though not in equal measures owing to the asymmetry of the conflict. The Madrid peace process started almost immediately after the 1991 Gulf War with little obvious success, despite Iraq's defeat and the concomitant weakening of the Palestinian Liberation Organization (which had supported Iraq to reciprocate support for its own cause). The removal of Saddam Hussein in 2003 did little to alter the stubborn character of the Israeli–Palestinian conflict. Nor did it prove to be a game-changer for the international community's attitude towards the conflict, which continues to lack a consistent, proactive and assertive approach to incentivize progress towards peace and deterring steps that impede it.

In the ten years that have elapsed since the overthrow of Saddam Hussein, the hope that the absence of a once-sworn enemy would make Israel more flexible and open to compromise in relation to the Palestinians has never materialized. In a region that is not bereft of potential enemies, Iran has replaced Iraq as Israel's major strategic threat. Meanwhile, the policy on the Palestinian issue leaves a peace agreement based on the two-state solution no more than a remote possibility at best.

18 British Relations with the Middle East – the Iraqi Shadow

Rosemary Hollis

Britain's reputation in the Middle East was profoundly shaken by its involvement in the invasion of Iraq. Previously it had been perceived as a relatively independent player in the region, blessed with greater experience and more awareness of Arab sensibilities than the United States. But as of 2003 the British were depicted as America's junior partner in a reckless endeavour dreamt up by the neo-conservatives in Washington.

The criticisms of the invasion are legion, but a few stand out as particularly damaging to Britain's international standing. It was the UK that insisted on securing the UN Security Council resolution that recognized the US and allied presence in Iraq as that of an occupying power, with attendant responsibilities. In the region this was depicted as a negative blow to the pride of Iraqis.

More damning, however, were the failures of the British forces charged with stabilizing the situation in and around Basra. Having initially claimed greater understanding than US forces of how to operate in a hostile urban environment, based on what they assumed to be relevant experience in Northern Ireland and the Balkans,⁷⁸ British troops were subsequently humiliated when the Americans had to intervene to rescue Basra from Iranian infiltration.

At home the government of Prime Minister Tony Blair was the object of opprobrium and successive investigations when it turned out that the main justification for the war, namely Saddam Hussein's alleged stockpiles of weapons of mass destruction, did not exist. First the Hutton and then the Butler inquiry found serious flaws in the decision-making process presided over by Blair.

As Iraq plunged into years of turmoil and sectarian violence, British diplomats in the surrounding Arab countries and Iran had to operate under the cloud of the *débâcle*. For fear of the spillover effects of an Al-Qaeda resurgence, compromises were made to massage relations with the very Arab regimes that would later become the targets of popular revolt in the uprisings of 2010–11.

Libya was a prime example. Eager to reward Colonel Muammar Gaddafi for deciding to renounce his WMD programmes and become a model member of the pro-Western camp in the 'War on Terror', the Blair government moved quickly to embrace an otherwise untrustworthy and oppressive regime, and thence secure new energy and weapons contracts.

In Saudi Arabia and the other Arab Gulf states, as well as Egypt and Jordan, the British prioritized intelligence-sharing and trade relations over the quest for democratic reform of the Arab regimes concerned. More sceptical than the Americans of the prospects for democracy, the British focused on maintaining access in Arab capitals, while paying lip service to the need for reform by

78 Frank Ledwidge, *Losing Small Wars* (Yale University Press, 2011).

initiating some new civil society projects and going along with the EU's Neighbourhood Policy that purported to enable reform but delivered little.

When, in 2006, the UK Serious Fraud Office began investigations into British defence deals with Saudi Arabia, the Blair government called them off, for fear the Saudis would suspend intelligence-sharing and further defence deals. British relations with Iran, which had been strong enough to facilitate Iranian cooperation in the initial stages of the invasions of Afghanistan and Iraq, subsequently deteriorated to the point where the British embassy in Tehran had to be closed in the face of hostile mobs.

Iran turned out to be one of the main beneficiaries of the regime change in Iraq, but in the process threatened to gain a regional ascendancy that the Gulf Arabs and Israel found intolerable. In the face of this development and Tehran's implacable stance on its nuclear programme, the British closed ranks with other Europeans and the Americans in imposing ever harsher sanctions on Iran.

Subject to pressure from Israel over the Iranian nuclear issue, the administration of President Barack Obama has stuck to the line that the use of force against Iran remains an option. Yet in Britain the prospect of such action is deeply unattractive, for fear of spreading yet more chaos and anti-Western sentiment in the region. In the circumstances Britain lacks decisive power and can only hope that the sanctions eventually work.

British hopes that the Obama administration would orchestrate a breakthrough in the moribund Middle East peace process have met with disappointment. The British line has been to advocate the rejuvenation of direct talks between Israelis and Palestinians, but still look to Washington to make this happen. Yet, having run up against Israeli defiance and Palestinian resistance in his first administration, Obama seemed more set on repairing relations with the Israelis than pressing them for a new peace initiative during his visit to Israel and the West Bank in March 2013, and the Palestinians were not impressed. Obama did urge young Israelis to see that the Palestinians also have rights and fears, but he delegated Secretary of State John Kerry to follow through. Without a strong lead from Washington, the British lack the leverage to make much difference.

The only place where the British have been able to influence events came in the context of the Arab uprisings. Prime Minister David Cameron and President Nicolas Sarkozy of France seized the opportunity to side with the Libyan rebels against Gaddafi in 2011. However, it was American air power that proved decisive in that rebellion and chaos has ensued since, with a knock-on effect in Mali.

When French troops were deployed to Mali in 2013, Britain agreed to send support, yet failed to persuade the Americans to do so too. More recently the British and French have wanted to send arms to the rebels in Syria, declaring the killing of civilians there too dire to tolerate. Yet here again, without the Americans, they cannot be decisive. Meanwhile, as a direct result of the lessons they have drawn from the intervention in Libya, the Russians and Chinese refuse to play along and have been arming the Syrian regime.

In sum, while the Middle East has yet to recover from the turmoil unleashed by the invasion of Iraq and then the Arab uprisings, the British are still coming to terms with the lessons of Iraq. Unable and unwilling to repeat that adventure, Britain can only hope to intervene by proxy and live in hope that the United States will somehow retrieve the decisive influence it had before Iraq. But that is a vain hope and the United States seems more cognizant of the limits of its capacities than the British are of their limitations.

19 Conclusions and Future Scenarios

Iraq is still in a prolonged and uncertain transition. A crisis over power-sharing continued to impede government functioning at the time of writing, and in December 2012, Prime Minister al-Maliki told Al-Iraqiya television that the country faced four options: ‘resorting to early elections, going to the negotiating table and reaching a solution based on the constitution, the outbreak of a sectarian war, or division’,⁷⁹ using the spectre of further violence or national fragmentation as leverage against the opposition and as an incentive for them to reach a compromise. As this report was being prepared, violence spiked again around the tenth anniversary of the invasion in March 2013 and the provincial elections in April. Iraq Body Count had recorded at least 547 civilians killed by the 30th of that month.

The contributors to this report have identified four variables as posing the most significant levels of uncertainty, and having the biggest potential impact, on Iraq’s political future:

- Escalation of war in Syria and the extent to which divided Iraqi factions allow this to deepen their own divisions;
- Relations between ethno-sectarian groups and the extent to which these are characterized by strife, greater harmony, or overtaken by intra-group divisions;
- The role and effectiveness of Al-Qaeda and other takfiri-jihadi groups; and
- Internal civil unrest – the evolution of protests and the question of whether these develop into seriously violent clashes with security forces.

There may, of course, be other wild cards to come that are not yet even part of the debate. Syria is perhaps the most obvious one. The risks it poses are all the more potent because they are perceived in radically different ways by different political factions in Iraq. While the evolution of the conflict there is largely beyond Iraq’s control, its impact will depend on the ways in which Iraqi factions approach it and react to it. Three main scenarios are possible here:

- **Syria’s conflict becomes the main driver of political trends in Iraq** as Iraqi factions take increasingly polarized positions on Syria and pursue diametrically opposed policies in supporting the warring sides with money and fighters. Belief in the viability of the nation-state declines as the fragmentation of Syria threatens to unravel borders more widely in the Levant, triggering new ethno-sectarian separatist movements. There is virtually no investment outside the oil sector, and even there investment is slow and production increases are exceptionally difficult to achieve. Incentives for Kurdish separatism increase as the Iraqi nation-state is increasingly mired in violence.

79 Quoted in Mushreq Abbas, ‘Maliki Threatens “Division” to Pressure Opponents’, *Al Monitor*, 31 January 2013, <http://www.al-monitor.com/pulse/originals/2013/01/dividing-iraq-now-an-option-for.html>.

- **Iraq becomes more resilient**, resisting efforts by Al-Qaeda and others to exacerbate sectarian tensions, and hedging its bets on Syria. Some political resilience comes from a shared interest in avoiding a return to civil war, still fresh in the memory. The ruling party comes to an accommodation with opposition groups, chiefly Iraqiyya and the Sadrists, and takes steps to address some of the socio-economic concerns voiced by protestors in western Iraq. There is a slow and difficult rapprochement with Saudi Arabia, partly in recognition that both countries have a shared interest in avoiding the rise of jihadi groups in Syria, since both, for different reasons, fear these groups might want to export their revolution.
- **Iraqis remain fractious and disunited.** The spillover impact of Syria is contained, and while creating problems, is not a primary driver of Iraqi domestic politics. But factions continue to place more trust in external powers than in some of their compatriots, and politics continues to be heavily influenced by the agendas of competing regional powers, especially Iran, Saudi Arabia and Turkey. The 2014 elections do not have a major impact on the composition of the central government. The issue of the oil law remains unresolved despite repeated promises of progress and the Kurdistan Region's increases in oil production gradually add to its incentives for breaking away in the longer term. This could be described as 'controlled instability'. Politicians generally still focus on political grandstanding and identity-based mobilization, continually failing to resolve core political and socio-economic issues, and a disaffection with elites in general grows, but few alternatives emerge. The brain drain continues.

Although Iraq embarked on a political transition ten years ago, it is by no means exempt from the demographic, political and economic drivers that underlay the Arab uprising protests elsewhere: a bulging youth population with few job prospects, dissatisfaction with cronyism in politics and business, a disaffection with the political elite and rapid growth in communications technology. In 2011, mass protests prompted Maliki to place pressure on his ministers to show better performance within a 100-day period. Protests were also held in northern Iraq, particularly in Suleimaniya, home to many students. Some demonstrators were shot, though in Iraq's case it takes vast numbers of deaths to make the headlines. The protestors in western Iraq too have displayed some solidarity with other Arab protestors, though perhaps identifying more with Muslim Brotherhood movements that have been empowered by political changes in Egypt and Tunisia than with the pan-ideological protests with which the Arab Spring began. However – as in Algeria – the country's recent political violence has been a factor deterring many from rocking the boat, as are the continuing fears of foreign intervention, renewed civil war or even the break-up of the state.

Over time it will become harder for the political elite to blame the legacy of dictatorship, sanctions and war for the country's problems. This approach will gradually lose credibility with a younger generation that does not remember the war with Iran or the rule of Saddam Hussein – though the ever-present trope of foreign conspiracies, which after all has a grain of truth, will continue to be a tempting scapegoat. Most of the population is under 30, and the UN forecasts that it will grow to just under 50 million people by 2030.⁸⁰ War has led to a gender imbalance in a country estimated to have around one million widows. But the pronounced gender literacy gap is gradually narrowing, which could have a significant effect on prospects for women's political and economic participation in the future. Today's twenty- and thirty-somethings grew up first under sanctions

80 UN Country Team Iraq, 'Facts and Figures', <http://iq.one.un.org/Facts-and-Figures>.

and then under occupation, in a country with a complex and conflictual relationship with the West and with its neighbours. Over the next ten years, a new generation of Iraqis will grow up in a more open country and a somewhat more normal relationship with the international community, even if relations with some of the neighbouring states remain troubled. New communications technology also suggests their connections with the large, educated and globally diffused Iraqi diaspora will also be more frequent and more current than was the case in the sanctions era, potentially creating options for a more cosmopolitan sense of Iraqi national identity, or solidifying transnational ethno-sectarian or ideological identities.

Iraq may also be able to forge new links with the Arab transition countries – particularly Egypt – now that more elected governments are coming into existence in the region. Relations with these countries will not be marred by the fear that they are seeking to undermine a democratic experiment. The Arab transition countries, whose governments want to be more responsive to popular opinion than their predecessors but also do not want to make enemies of the United States, might also in time represent a new non-aligned bloc in the region, resisting the current pressure to side either with the mostly Sunni pro-US powers headed by Saudi Arabia or with the smaller ‘resistance’ camp around Iran, an approach that may also make sense for Iraq. In terms of regional non-state actors, Hezbollah and the Muslim Brotherhood will have strategic decisions to take on whether they can forge an alliance or whether they will see their interpretations of political Islam as largely incompatible. It is as yet unclear to what extent future regional interactions, including Iraq’s interaction with the rest of the Middle East, will be defined by competitive ethno-sectarian identity politics or by the sense of common aspirations that was articulated in the early days of the Arab uprisings.



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