Executive Summary

Iraq Ten Years On

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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 realisim 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) enquiry 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.