

# The Issues in Iraq: Stay, Leave, and Conditionality

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Iraq presents an extraordinarily complex mix of issues for the next Administration and the next Congress. There also is no guarantee that a new major problem, or new phase of communal conflict, will not emerge during the remaining months of this Presidency. If nothing else, the Congress will have to resolve a wide range of funding issues stemming from the gap between Congressional appropriations and the President's FY2008 supplemental request; and the Administration still has to present its real-world supplemental request for FY2009.

At some point in time, the U.S. is going to have to debate the mistakes and lessons of the way in which it went to war, and the mistakes it made from 2003 to the present. It is obvious that the U.S. will also need to look beyond this war and consider the combined lessons of the Afghan conflict, Iraq conflict, and Global War on Terrorism (GWOT) for reshaping the overall structure of U.S. forces, and the capability of the U.S. national security structure to establish an effective partnership between the military and the civilian departments and agencies to deal with counterinsurgency operations and armed nation building. Programs like "Building Global Partnerships" make a start, but only a start.

At this point in time, however, the challenge is to shape the way ahead in Iraq. In practice, this means deciding how to resolve the debate between maintaining a major U.S. presence, and early withdrawal. If this debate is resolved in terms of staying, the U.S. needs practical

plans to achieve some reasonable definition of success or "victory" within a timeframe the American people can support. If this debate is resolved in terms of withdrawal, the U.S. must have a clear plan for both the way in which it withdraws and for reshaping the U.S. strategic position in the region. This is particularly true because either decision will affect the main air bases the U.S. uses to transit into Afghanistan and the force levels the U.S. can deploy for that war. The U.S. cannot have an Iraq strategy that does not take into account the strategic importance of the Gulf, Iran, and the interactions between the Iraq and Afghan conflicts.

## **The Problem of Al Qa'ida in Iraq, Insurgency, and Terrorism**

The fighting in Iraq in 2007 saw major victories against Al Qa'ida in Iraq. AQI is being squeezed towards northwestern Iraq and the Mosul area, and is steadily losing strength. Equally important, most of the Sunni Iraqi areas have turned against AQI, as have many of the other movements that were once hostile to the Iraqi central government and the U.S.

This military progress was partly a result of the U.S. "surge" and changes in U.S. tactics. It was also, however, made possible by the creation of local Sunni forces that are now called the "Sons of Iraq," and by the fact that the major Shi'ite threat, Moqtada al Sadr and his Mahdi Army militia, declared a ceasefire and

stood aside from the fighting. If this had not occurred, the surge would almost certainly have failed. The U.S. simply did not deploy enough troops to secure the greater Baghdad area, Anbar, and other high threat areas in the face of broader Sunni opposition and a serious threat from Shi'ite militias.

This raises a critical issue for the next Administration. At this point in time, the U.S. is likely to have 10-15 combat brigade equivalents, some 95,000-120,000 military personnel, and some 90,000-130,000 civilians and contractors still in Iraq at the start of the next Administration. On the one hand, this is a major military commitment. On the other hand, it is far too small to secure the entire country. The U.S. has not attempted to secure the ethnic fault line between Kurds and Arabs, and has only begun to become involved in the intra-Shi'ite fighting in the nine largely Shi'ite provinces in the south. The ongoing reductions from 20 to 15 brigade equivalents stretch a U.S. force that is now committed to forward deployments, and "win, stay, and build."

### **Moving Towards "Political Accommodation"**

The U.S. country team in Iraq is careful not to use the phrase "political reconciliation," and is wise to do so. The phrase "political accommodation" is much more realistic. There has been too much fighting, too much suffering, too much sectarian and ethnic "cleansing" to hope for more than a reasonably stable modus vivendi in which a now much more divided Iraq has relatively secure Arab Shi'ite, Arab Sunni, and Kurdish-dominated provinces, and a few much more mixed areas including Baghdad.

Progress in political accommodation, however, has been necessarily slow. The leaders of a weak and divided central government are rivals to some extent and are dealing with existential issues. They are betting the future of their sect or ethnicity, and probably their own lives and those of their families. Regardless of U.S. pressure and threats to withdraw, they still consider

their own interests and survival, and Iraqi time moves at a different pace from U.S. time. As of late April 2008, the formal effort to reach political accommodation had reached the following point:

- *Provincial Elections*: The Iraqi national assembly, which is called the Council of Representatives (CoR) is currently reviewing the law, which will set the legal basis and structure of provincial elections.
- *Hydrocarbons Package*: The level of control allocated to the central government in the July 2007 draft version of the Framework Law (currently in CoR Committee) is the key point of disagreement; there may be more progress on the Revenue Management Law, currently with the Shura Council, in the coming months.
- *Amnesty Law PASSED*: CoR approved the law on February 13; the law was signed by the Presidency Council February 26 and was implemented March 2.
- *Pensions Amendment PASSED*: Published in the Official Gazette December 2007.
- *De-Ba'athification PASSED*: Approved by default by the Presidency Council February 2008. Reform published in the Official Gazette in mid-February.
- *Provincial Powers PASSED*: CoR approved the law on February 13; the law was vetoed by the Presidency Council February 26. The veto was rescinded on March 19.

This progress is slow, but it also may well be as fast as the existential issues dividing various Iraqi factions permit. In any case, the key issue is that an acceptable set of practices be put in place within the next 12-24 months. There is far too much Congressional emphasis today on formal legislation. Passing laws is only part of the story; creating facts on the ground is what counts. For example, Iraq needs oil laws which lead the central government to actually share the money and oil reserves fairly, and actually move Iraq towards renovating its fields, expand-

ing refinery and product production, and putting Iraq on the path to steadily increased export income.

### **Communal Struggles: Violence or Accommodation**

If the U.S. stays in Iraq, it will have to accept the fact that there are many areas where it is impossible to establish “benchmarks,” and the U.S. can only seek to influence what must ultimately be Iraqi decisions. It will also have to accept the fact that sectarian and ethnic issues affect Iraq’s neighbors, including key states like Iran, Turkey, Syria, Egypt, Jordan, and the Gulf states.

That does not, however, mean the U.S. cannot set goals, defuse misunderstandings and conspiracy theories in Iraq and the region, and make it clear to the world what it is trying to do:

- *Political legitimacy and representative government in the south:* There is a clear need to end gang rule and violence in Basra, but the U.S. needs to be extremely careful about military and security developments that serve the interests of the two main Shi’ite political parties leading the government—Al Dawa and the Islamic Supreme Council of Iraq party or ISCI, which was formerly called the Supreme Council for the Islamic Revolution in Iraq or SCIRI—and tying the Iraqi Army and police to intra-Shi’ite power struggles. Even if the current power struggle between Dawa/ISCI and Sadr does not create a new form of insurgency, it will take years to shape a viable political structure in the south, determine the level of influence Iran can exert, and create a new balance of power within the Shi’ite dominated areas.

Even the fairest elections do not achieve real-world legitimacy; it takes truly representative and effective governance, local development efforts, and security that is not factional or dominated from the outside. If the U.S. stays in Iraq, it will have to help develop real local and provincial rep-

resentation, instead of relying on the present elites. It will have to show it is willing to work with local and provincial officials, provide aid and advice, and help Shi’ites find a stable path to political and economic development.

- *Helping Kurds, Arabs, and minorities find a working path to stable accommodation:* No formal agreement or referendum can ensure a stable and fair outcome in dealing with these critical ethnic issues. The U.S. will have to help Iraqis work towards a fair settlement, not favor any side, and again provide help in moving forward.
- *Stabilizing the greater Baghdad and mixed areas:* The U.S. has brought a limited degree of security to Baghdad, but largely through U.S.-shaped compartmentation of the city into Shi’ite and Sunni areas. Other mixed areas present serious problems, including Ninewa and Diyala. The U.S. needs to shift from a focus on Al Qa’ida to one that analyzes problems and progress in mixed areas, sets clear goals, and offers U.S. assistance and advice. Iraqi decisions will determine the influence, but the U.S. should make at least several years of sustained effort to influence the outcome.
- *Seeking a fair share of Sunni wealth and power, and stability and security in Sunni areas:* The U.S. is already playing a critical role in helping the Sunnis develop effective local and provincial government in Sunni areas, in encouraging development and governance, and in pressuring the central government to actually fund activity, support employment, and give Sunnis a larger role in both local security and the national forces and a fairer share of influence and power in the central government. If the U.S. stays in Iraq, it will take at least several years of further U.S. effort to influence the outcome of Iraqi decisions; this will be of critical importance.

There is also a clear interaction between the U.S. policies that will need to be adopted to deal with Iraq's internal issues, and U.S. efforts to deal with Iraq's neighbors:

- *Limiting Iranian influence and infiltration:* Dialogue with Iran will not change the regime or stop it from opportunistic efforts to exploit any power vacuum or division in Iraq. A continued U.S. presence may be critical to giving Iraq the time and security to reach political accommodation and create forces capable of some degree of national defense. The U.S. may need to speak more softly, do more to defuse war scares, and offer Iran incentives as well as "carry big sticks." The fact is, however, that Iran helps make Iraq a major regional problem and will continue to do so wherever it sees a window of opportunity. The U.S. should seek to deter Iranian adventures, and make every effort to persuade the Iraqi government to allow U.S. action against the Al Quds force and other hostile Iranian action, and to use Iraqi security forces for that purpose.
- *Turkey, the PKK, and Iraq's Kurds:* The U.S. should make it clear to Iraq's Kurds that U.S. support is contingent on them taking action against the PKK, and that the U.S. will continue to support limited Turkish military action in Iraq until they actually do so. This is not an issue diplomacy and negotiation alone can hope to deal with.
- *Syria:* There is only so much the U.S. can do, and it is already doing most of it. Once again, however, this requires a sustained U.S. effort well into the next administration as well as a sustained U.S. effort and presence.
- *The Arab states:* As Iraq moves forward and the U.S. gets a new Administration, the U.S. should continue its efforts to persuade Arab states to provide Iraq with aid and political support.

## **Iraqi Force Development and Conversion to U.S. Strategic Overwatch**

The Bush Administration has announced a broad strategy of steadily expanding Iraqi forces in ways that will allow them to replace U.S. forces, allow further U.S. withdrawals, and allow the U.S. to convert from combat missions to advisory roles and strategic overwatch. It has never, however, provided a nominal "conditions-based" picture of what the U.S. is seeking to do in Iraq over the coming years and indicated whether U.S. plans and goals are practical.

Part of the reason the Congress continues to demand more progress from the Iraqis than is really possible is that the problems and delays in shaping credible force plans, getting proper training facilities and throughput, imbedding competent advisors, and providing effective equipment have been constantly understated and the implied timelines for success have been unrealistic.

The real question for U.S. policy is whether more realistic timelines are acceptable. Both the head of the Multi-National Security Transition Command-Iraq (MNSTC-I) whose mission is to assist the Iraqi Government in development, organization, training; and the Iraqi Minister of Defense; made it clear in 2007 that creating an effective force to take over the counterinsurgency mission from the U.S. will take until at least 2012, and real-world Iraqi replacement of U.S. and allied forces in combat cannot happen until that force is created. This, however, means that it may be possible to reduce U.S. force levels to 10 and then 5 U.S. brigade equivalents by 2010-2012, even allowing for all of the uncertainties and "conditions" in Iraq.

The resulting savings could be a major one in blood and wounded, and end the strains on the U.S. all-volunteer force. It could also produce a major savings in dollars. Work by the Congressional Budget Office estimates that,

"Under the combat scenario that CBO considered, the United States would maintain a long-term presence of approximately 55,000 military personnel in Iraq,

deploying military units and their associated personnel there for specific periods and then returning them to their permanent bases either in the United States or overseas. The scenario also incorporates the assumption that units deployed to Iraq would operate at the same pace and conduct the same types of missions as the forces currently deployed there. In CBO's estimation, this scenario could have one-time costs of \$4 billion to \$8 billion and annual costs of approximately \$25 billion. (All costs...are expressed as 2008 dollars.)

“Under the non-combat scenario that CBO analyzed, the United States would maintain a long-term presence of approximately 55,000 military personnel in Iraq by indefinitely stationing specific units at established bases there in a manner similar to the current practice of assigning personnel to units based in Korea or Germany. The scenario incorporates the assumption of much less intense military operations than those under the combat scenario. Under this non-combat alternative, units stationed in Iraq would rarely, if ever, be engaged in combat operations. Up-front costs (mainly for construction) under the non-combat scenario would be approximately \$8 billion, with annual costs of \$10 billion or less, CBO estimates. (For the full text, see Congressional Budget Office, “The Possible Costs to the United States of Maintaining a Long-Term Military Presence in Iraq,” September 2007.)”

These costs are a small fraction of what the U.S. is now paying, and roughly the same for an entire fiscal year as what the U.S. paid per month during the peak spending period in 2007.

### **A U.S. Plan for Transitioning Development and Governance Expenditures in Iraq**

Much of the current U.S. debate over the costs of the war focus on the peak cost per month of the “surge” in 2007. The U.S. is already phasing out much of its development

aid and transferring fiscal responsibility to Iraq. Creating more formal plans that make it clear that Iraq must assume full responsibility by 2010 or 2011 would give Iraq ample time in which to act while putting growing pressure on the Iraqi government over time.

The State Department's April 9, 2008 *Weekly Status Report* indicates that Iraqi oil revenues rose from \$31.3 billion in 2006 to \$41 billion in 2007, and are on a path that could exceed \$60 billion in 2008. It also indicates that the U.S. has already disbursed \$19.1 billion out of a total of \$20.3 billion in past U.S. Iraqi Relief and Reconstruction Fund (IRRF) I & II aid. The current U.S. economic aid request for FY2009 is evidently around \$700 million. Phasing that level down to the minimum necessary to maintain U.S. influence and leverage in critical areas does not present a major challenge.

Moreover, for all of the Congressional complaints that Iraq has not paid for its own aid in the past, the most recent report by the Special Inspector General for Iraqi Reconstruction (SIGIR) in the State Department (January 30, 2008, p. 17) shows that a total of \$50.6 billion worth of Iraqi funds have already been allocated to development. Some \$30.7 billion of this came from the Iraqi capital development budget for 2003-2008. This compares with a total of \$20.9 billion in U.S. IRRF funds, \$3.3 billion in ESF aid funds, and \$ 5.2 billion in other aid funds. (The U.S. funded an additional \$15.4 billion on Iraqi force development and \$2.7 billion in Commander's Emergency Relief Program (CERP) aid used to support U.S. operations and groups like the Sons of Iraq.) A phase out of U.S. aid expenditures will have to be conditions-based, but a combination of clearly-planned, conditions-based cuts in U.S. forces and the savings from largely eliminating aid over a clearly-defined period of a few years could be the key to both winning enduring U.S.-domestic support and pushing the Iraqi government into developing and implementing adequate plans of its own.

## **Political Accommodation and Elections**

Iraqi plans to rapidly fix the quality of governance by the central government are not feasible and cannot have true legitimacy without much stronger local and provincial governments to compensate for the weaknesses of the central government, and without local representation for key cities, factions, and regions. Much depends on whether the central government sets forth a clear plan and framework to hold legitimate local and provincial elections in 2008 and national elections in 2009, and for resolving the issue of Iraqi federalism and Kurdish autonomy.

- There need to be UN-supervised elections with open lists and candidates with direct responsibility to the Iraqis that elect them. It should be clear that Sadrist and other militias will not be allowed to play a role, but also that Al Dawa and the Islamic Supreme Council in Iraq will not be allowed to exploit their control over the central government, budget, and Iraqi security forces to rig the elections. It should be clear that Iraq's Arab Sunnis will be able to choose from local candidates, and not see their options limited by today's half-formed Sunni national parties. It should be clear that Kurdish democracy does not impose standards that limit the ability of other Iraqis to run and vote.
- The U.S. should not insist on exact deadlines for either election, but the October 2008 date should not slip beyond the early spring of 2009. Holding open national elections reasonably close to schedule should be a make or break condition for the U.S. remaining in Iraq.

## **Money, Kurdish Autonomy, and Federation**

Rushing into votes on federation and Kurdish autonomy is a different story. Iraq would have been far better off with a constitution that limited any special regional status to the issue of Kurdish autonomy, but that particular die is cast.

What Iraq cannot afford to do is to rush into any definition of a Kurdish region that does not take account of real-world ethnic boundaries, where no clear effort is made to define what a Kurdish dominated area can and cannot do given the needs of minorities, and without a UN-supervised referendum or agreement that produces credible and transparent results.

This may be another make or break condition for the U.S. remaining in Iraq.

- It should be made clear that the U.S. will only stay if Kurdish rights are protected, and equally clear that the U.S. will not support the Iraqi Kurds if they seek independence or to expand their control beyond what are clear Kurdish areas.
- The best solution to federation in the rest of Iraq would be no federation at all. Iraqi political accommodation—and sectarian and ethnic compromises, mixed areas, and zones—will be far better off if they are not enshrined in some form of formal federal structure. As is the case with the Kurds, however, the U.S. should make it clear that it will not stay if any vote is not legitimate, is abused by the current parties in the central government, or expands Shi'ite power at the expense of Sunnis.

## **Withdrawal and an Exit Plan**

No one can promise or guarantee “victory” in Iraq, even within the limited definition of a state stable and secure enough to maintain its own internal security and able to move towards a mature democracy and development over time. There are too many internal tensions, too many external pressures, and the American people may decide the war is too costly in dollars and blood to sustain. The U.S. also should not adopt an open-ended policy of staying the course if it wants the Iraqis to assume responsibility for their own destiny.

As a result, the U.S. not only needs to consider how to develop a consensus for staying and for conditions-based “success,” it needs to

define what would lead to “conditions-based” withdrawal and how such a withdrawal should be conducted.

- The U.S. should make it formally and unambiguously clear to the Iraqi government that the U.S. will not stay if Iraq does not hold fair elections, if it is not more active in bringing Sunnis and more secular Shi'ites into the central government, does not create truly national armed forces, and does not take more active steps to protect minorities and mixed populations and act to halt sectarian and ethnic cleansing. It should be equally clear the U.S. will not stay or intervene in any major Iraqi civil war.
- It should be made clear that the U.S. will not stay if Iraq fails to move towards fiscal responsibility, and to create forces that actually take over from U.S. forces. It should be clear to both Iraqis and Americans that the U.S. will support the Iraqi government against insurgents, violent extremists, and Iranian efforts to support militias, *but* that the U.S. will not back any given party or side in using force. The U.S. has already pushed the limit in Basra and Sadr City.
- The Maliki government and any successor should not be allowed to push the U.S. into taking sides in an intra-Shi'ite power struggle. The U.S. should not support the Kurds if they do not seek a fair settlement in defining the nature of Kurdish autonomy and Kurdish controlled territory. The U.S. should make it clear that it will not support any form of “federalism” that fragments the nation, and will not stay in Iraq if central government inaction triggers serious civil-fighting between Sunni and Shi'ite.
- At the same time, the U.S. should take into account the fact that while the U.S. can rush out of Iraq, orderly U.S. withdrawals that remove U.S. stocks and equipment, and return U.S. units in a way that allows their smooth reintegration into bases and

career paths in the U.S. can only occur at a rate of roughly one brigade every 60-90 days. It must also be ready to show its Gulf allies that a withdrawal will not mean cuts in the U.S. strategic commitments to the Gulf states and that the U.S. will join them in containing and deterring any threat from Iran.

- The U.S. also must show its allies and enemies that it is not faltering in Afghanistan, and is not prepared to effectively “lose” two wars in ways that will encourage Iran or the main Al Qa'ida leadership and other hardline Islamists outside Iraq to probe or challenge the U.S.

### **If You Break It, You Owe It: A Moral and Ethical Responsibility to Iraqis as Well as Ourselves**

U.S. decisions affect the fate of 28 million Iraqis, as well as key strategic interests like the U.S. position in the Gulf. Basic moral and ethical considerations interact with a selfish need to secure some 60% of the world's proven oil reserves and 40% of its gas, contain Iran, and maintain a position in Gulf bases which are critical to U.S. operations in Afghanistan. It may be politically expedient to ignore the Iraqis at a time when the U.S. is so focused on its own concerns and interests, but it is also morally and ethically dishonest to do so.

Iraqi failures must be kept in context. Iraqis lived with their sectarian and ethnic differences in relative peace before the Ba'ath, Saddam, and the U.S.-led invasion. Sunni and Shi'ite Arab tensions and clashes occurred before the Ba'ath, but only at very low levels and in spite of the fact that the Turks and British deliberately favored the Sunnis as part of divide and rule tactics. The Kurds came under constant pressure, but there were a series of moves that could have provided for autonomy in the pre-Ba'ath era. It took massive repression and Iranian interference (which then had covert U.S. and British support) to put down the new round of fighting that started in the early 1970s.

It is true that the U.S. did not break Iraq, Saddam did:

- Iraqis have lived with war and tyranny since Saddam Hussein carried out a bloody purge of the Ba'ath Party and Iraq's other political parties in 1979. That is a period of nearly 30 years. Every Iraqi under 50 has lived through the turmoil of 8 years of war with Iran, an effective bankruptcy and dependence on foreign war loans that took place in 1984, the resulting collapse of much of Iraq's educational system and economy, and then with the consequences of Saddam's invasion of Kuwait in 1990 and the Gulf War in 1991.
- Between 1991 and 2003, the Gulf War was followed by a half decade of sanctions and shortages, and then by a failed and corrupt UN oil for food program between 1996 and 2003. The country was divided by Kurdish isolation in the north and by the regime's low-level civil war against the Shi'ites in the south and steadily growing discrimination against them. Iraq's political process was frozen around an authoritarian state rule, and the kleptocracy around Saddam. Iraq's population grew from some 16-17 million people at the beginning of the Iran-Iraq War to 26-27 million by 2003. Nearly 40% of Iraq's population had known nothing but Saddam, war, economic crisis, and the steady deterioration of education, the economy, and government services. Corruption and membership in the Ba'ath became the only way that much of Iraq's middle class could survive.

Since then, Iraq has lived through the impact of a U.S.-led invasion in 2003, and five years of occupation by U.S. and allied forces. Every young man and woman in Iraq, nearly 10% of a very young population, has come to adulthood at a time when the U.S. has dominated Iraq's efforts at nation-building, political development, economic development, the creation of Iraq's security forces, and the counterinsurgency campaign.

The U.S. took a broken Iraq and made it worse:

- It went to war without any plan to provide stability operations, or replace Saddam with a viable approach to governance, security, and development. It empowered Shi'ite exiles in ways that disenfranchised much of Iraq's best-educated and most secular population or drove them out of the country. It had no aid plan when it invaded, and then effectively spent what SIGIR reports is over \$30 billion in Iraqi funds—as well as misspent over \$40 billion of its own money—on rushed and improvised aid efforts that did at least as much to benefit foreign contractors as Iraqis, and almost nothing to create sustainable jobs.
- The U.S. helped disband the Iraqi forces, denied the rise of an insurgency when it began, and then spent at least three of the last five years failing to properly plan, fund, and staff efforts to create effective Iraqi security forces. It rushed into a constitutional process under conditions almost designed to provoke sectarian and ethnic conflict, and then made things far worse by delaying meaningful local and provincial elections and creating a “closed” system for national elections that made no allowance for true representative government and forced Iraqis to vote for entire lists of unfamiliar candidates dominated by Shi'ite and Kurdish parties.

Half a generation of today's Iraqis have now lived with insecurity, and with unemployment and underemployment levels affecting more than 50% of the population. It is certainly true that Iraqis need to take responsibility for their actions, but we need to take responsibility for ours. Regardless of the reasons the U.S. went to war, or what Americans may now think of the war, America's leaders cannot afford to forget how much our own actions and failures have impacted an entire nation, and one to which we now have a major moral and ethical obligation. To paraphrase Colin Powell, “if you break it, you owe it.”