

AMERICA AND THE EMERGING IRAQI REALITY:
NEW GOALS, NO ILLUSIONS

ELLEN LAIPSON

A CENTURY FOUNDATION REPORT

THE CENTURY FOUNDATION

HEADQUARTERS: 41 East 70th Street, New York, New York 10021 ♦ 212-535-4441

D.C.: 1333 H Street, N.W., 10th Floor, Washington, D.C. 20005 ♦ 202-387-0400

www.tcf.org

ACKNOWLEDGMENTS

The author expresses thanks to Elena McGovern, research associate, and Elliot Gillerman, intern at the Stimson Center, for their valuable research assistance. I am grateful also to Dr. William Durch and Alan Romberg, senior associates at the Stimson Center, for their useful comments on an early draft of this paper. Jeff Laurenti of The Century Foundation was helpful in all aspects of preparing this report; of special note was his masterful leadership of an April 29 discussion on the paper, and the important contributions from the participants at that discussion: Geneive Abdo, Feisal Istrabadi, Brian Katulis, Pat Lang, Marc Lynch, David Mack, Ali Adeeb al-Naemi, Paul Pillar, Robin Raphel, and Michael Schulenburg.

The views expressed in this paper are those of the author. Nothing written here is to be construed as necessarily reflecting the views of The Century Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

Copyright © 2008 by The Century Foundation, Inc. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of The Century Foundation.

INTRODUCTION

It is time for a new policy in Iraq, to recalibrate America's equities and engagement there. The current administration is tied to its policy, knowing that the president's historic legacy will be based on the outcome in Iraq, and hoping that current positive trends can be turned into more permanent conditions. But the American people and their political leaders need to be thinking more boldly about a new horizon: Where do we want U.S.-Iraq relations to be in five years? Can the United States and Iraq enjoy a friendly relationship without such a deep commitment of American forces and resources? Where does Iraq fit in America's strategic interests and agenda?

Many believe that such an exercise is difficult because it depends too much on what the Iraqis do, and their behavior seems increasingly to be beyond American control or influence. Iraq's profound uncertainties, according to this view, make it too hard to conduct such a policy-planning exercise. But this report argues that the United States has to set its strategic goals in the region independently of how Iraq's political dramas play out. The time for social engineering is over; events in Iraq will be determined by powerful currents within Iraqi society and politics that are less and less susceptible to outside manipulation or influence. So the United States needs to set its own course, and no longer pin its policy on the ability of the Iraqis to play a part Americans have written for them.

Iraq remains of great significance for the Middle East region and for America's interests there. Iraq is intrinsically important, because of its location as a bridge between Iran and the Arab world, its oil wealth, and the potential of its people to be powerful regional players. The United States will continue to care about Iraq's fortunes, its ability to achieve greater stability and prosperity for its people, and its relations with its neighbors. But the time is right for fresh thinking about a transition from a period of exceptional engagement to a new state of affairs.

Iraq's security situation remains volatile, even as the situation improves gradually in critical parts of the country as a result of both the U.S. surge and greater Iraqi local ownership of security matters. Violence still flares in Baghdad, in Sunni-dominant provinces, and as a result of a critical intra-Shia power struggle in the south. Iraq will remain a violent society even if the national and provincial security forces improve their capacity to impose law and order, as is likely. Iraq for some time to come will be struggling with the dramatic shift in its political demography that was caused by the U.S. decision to topple Saddam Hussein. Nonetheless, the dangers of Iraq descending to full-scale civil war or violent breakup have diminished in 2008. Iraq's unity and stability is not to be taken for granted, and many still fear that things could deteriorate again, but a U.S. policy that is driven by fear of worst-case scenarios is not useful.

Iraq and the United States both will hold elections during the next eighteen months. The next U.S. president will face the Iraq file and will need to maneuver from campaign aspirations to the harsh realities of troop deployments and funding requests. Iraq could well be one of the most important issues on voters' minds when they make their choice in the presidential contest. The campaigns will have raised expectations that major changes are in the offing, even if, as the senators in the race may privately understand, one cannot change course too abruptly without consequences for the United States and for Iraq's stability. Iraqis too will make choices in provincial elections in October 2008 and national elections in December 2009, and a new U.S. administration could well find itself with new Iraqi politicians setting Iraq's policy and taking positions on the U.S. military presence in the country, among other issues.

These political cycles create opportunities for new thinking and new approaches. This report offers ways to retool U.S. policy, at three levels:

- ***Policy Goals.*** U.S. policymakers and the larger public policy community, including nongovernment experts, should explore the big questions: What are U.S. stakes in Iraq over the next five to ten years? How does U.S. engagement in Iraq affect U.S. ability to achieve other goals in the critical Middle East region and beyond? What would be desirable and achievable new goals for policy toward Iraq, given the failure to achieve the Bush administration goals of "transformation" of Iraq as a model for the region and defeat of a then-alleged Iraq-al-Qaeda nexus? Does the United States

want or need a “special” relationship with Iraq? Can the United States scale back its stake and its presence in Iraq without generating new mistrust and disorder in the region? Does the United States have enduring obligations to the Kurds and their autonomy in the north? Can the United States be more effective in dealing with the challenges of Iran and the Arab-Israeli peace process if it shifts its focus somewhat away from Iraq?

- ***The Politics and Perceptions of Policy Change.*** A new president will need to assert the positive aspects of a new approach, and to manage public perceptions of failure or retreat for U.S. foreign policy. The president will need to deal with Middle Eastern and other international reactions—possible charges of abandonment and betrayal, and contradictory and paradoxical worries about American weakness. This public diplomacy challenge could well affect the political atmosphere in the United States and in Iraq. There are considerable data available about the mood in both countries, but politics is an iterative process. Leaders need to listen carefully to voters’ preferences, and to make hard choices. Over time, public attitudes may rally to new policy approaches that show promise of achieving better outcomes.
- ***Practical Matters.*** The administration is currently working with Baghdad on a new strategic framework for the bilateral relationship premised on an important degree of continuity in the relationship.¹ The administration envisions a robust U.S. presence in the country, including base arrangements that will be controversial. It is not clear if the Iraqi parliament will endorse the new framework. Such arrangements are not permanent and can be used creatively by a new administration to steer the relationship in new directions. In light of U.S. economic and budgetary strains,² it is incumbent on the United States to review its financial expenditures in Iraq and the ongoing costs of U.S. deployments and civilian activities. A fresh look at the size of the security presence, the U.S. Embassy compound and its impact on local perceptions, and the purposes of our aid and reconstruction programs is warranted.

BACKGROUND

LESSONS FROM HISTORY: AVOID SPECIAL RELATIONSHIPS

History holds sobering lessons for U.S. efforts to build and sustain special political relationships in the Middle East. Two cases should help shape the debate about the future of U.S.-Iraq relations: U.S. relations with Iran in the 1970s and with Egypt in the 1980s and 1990s. In both cases, U.S. policymakers believed that there was strategic value for the United States to partner with these key countries, and that U.S. support would enhance their leadership in the region and their roles as models of modernity and peaceful engagement. These two cases are relevant and comparable to the Iraq dilemma before us; none of the three is in the same category as the special relationship the United States has with the United Kingdom, or with Israel, which successive U.S. presidents have pledged to uphold, based not only on common security imperatives, but equally on deep societal and cultural bonds based on overlapping values and common worldviews.

The history of U.S. relations with Iran is fraught with intrigue and drama. The American role in ousting Prime Minister Mohammad Mosaddeq in 1953 lives on as a powerful historical reminder that has shaped Iranian views of the West and exacerbated a tendency to be deeply mistrustful of the intentions of great powers. At other junctures, such as during the John F. Kennedy administration, there was a relatively benign atmosphere, with the United States interested and invested in Iran as an important case study of economic development. U.S. policy included robust cultural exchanges, Peace Corps volunteers, and tens of millions of dollars in economic aid to support the Shah's White Revolution of agrarian reform.

By the 1970s, however, the emphasis in the relationship shifted to more strategic concerns. President Richard Nixon reassessed the U.S. presence in the Persian Gulf region as a result of the British decision to withdraw from its bases and neo-colonial relationships. The United States decided to develop deep ties with key regional states in order to protect two vital U.S. interests: ensuring the free flow of oil, and preventing the Soviet Union from dominating the region. The resulting Twin Pillars policy, also known as the Nixon Doctrine, relied on Iran and Saudi Arabia as our regional partners. Of the two,

Iran was more important. In a critical meeting in 1972, Nixon and the Shah agreed on an arrangement whereby the United States would increase the number of uniformed military advisors and would permit the sale of top-of-the-line non-nuclear weapons technology, in return for the Shah's promise to "protect U.S. interests" in the region.³ The U.S. cohort of military advisors reached one thousand in 1976 and Iran received hundreds of millions of dollars in military loans and Export-Import Bank loans. In return, the Shah responded to U.S. concerns when a Marxist rebellion erupted in Oman, kept oil flowing during the Arab embargo in 1973, and supported U.S. anti-Communist initiatives as far away as Vietnam.

Over time, U.S. policy led to less freedom of maneuver for Washington, and a subtle shift of power in the relationship toward the Shah. The United States, for example, reduced its intelligence coverage of internal developments in Iran to avoid friction with the royal palace, and the Shah was confident in his ability to shape American views of events in the region. When he fell, according to Gary Sick, the United States had the worst of all worlds: diminished understanding of developments in Iran and deep resentment, ironically, among Iranians who believed we controlled the Shah to the detriment of Iranian independence.⁴

One should, however, not infer that the United States was responsible for the Iranian revolution or could have prevented it. There were other societal and political forces that might have led to a transformation of Iran's politics, even if the Twin Pillars policy had not existed. But one cannot escape the judgment that the way we created and were constrained by a special relationship with the leader of a regional power contributed to historical events there. The opposition in Iran was able to associate the Shah with the West, the United States in particular, and the message resonated strongly with large segments of Iran's population.⁵ It is not an overstatement to say that the Iranian revolution has had more of an adverse impact on U.S. interests and on regional peace and stability than any other event in the past quarter century. It is a warning about exceptional relationships and their unintended consequences.

The case of Egypt has not had such a dramatic ending, but perhaps it is only a matter of time. The "specialness" of the U.S.-Egypt relationship in the 1980s derives from a great diplomatic success. The decision by President Anwar Sadat to cast his lot with the United States and to repudiate his alliance with the Soviet Union was a moment of opportunity for the United States. U.S.

officials who had vision and courage turned it into a great achievement: the first formal peace treaty between Israel and a key Arab state. Credit goes to both the Nixon administration, with the unique role played by national security advisor and then secretary of state Henry Kissinger, and the Carter administration, which built on the U.S.-Egyptian rapprochement and achieved the Camp David Accords in 1978 and the peace treaty in 1979.

In the process, Egypt and the United States established some assumptions about the mutual commitments, and these have caused tensions and, over time, have diminished the value of the partnership. The United States today is a bystander to a period of Egyptian history that is full of disappointment and potential danger. An entrenched elite in Egypt is increasingly unable to respond agilely to political and economic needs of a large and poorly educated population, which could easily shift its allegiances to an Islamist vision, well-established in Egypt by the often-outlawed Muslim Brotherhood.

Early in President Jimmy Carter's negotiations with Sadat, according to eyewitness Herman Eilts, then-U.S. ambassador to Egypt, it was intimated that U.S. relations with Egypt after the treaty would be "on a par" with U.S. relations with Israel. The aid relationship, however, while generous, never met the standard of parity with that of Israel. In addition, the two states were not always like-minded about the many challenges in the region, and their respective capacities to improve the situation. "Both sides had inflated ideas about the other's will and capacity on the Middle East scene," Eilts writes.⁶ By another account, Egyptians expected the United States and its aid to solve Egypt's economic problems, and Americans expected Egypt to work on its domestic affairs, and to permit the United States to use Egypt as a base for its regional requirements.⁷

As we approach the thirtieth anniversary of the Camp David Accords, Egypt has not been transformed by its aid relationship with Washington, and neither party feels the deep compatibility of goals and strategies in the region that was assumed in the early years. Egypt's government has indeed worked to implement difficult reforms in the economy, but U.S. aid has sometimes enabled them to proceed more slowly and cautiously, and lose precious time in generating momentum for economic change. On the political front, there is no such incentive for change, and the United States has watched rather passively as President Hosni Mubarak—who has been in office since 1981—moves to

entrench a family dynasty and has resisted calls for reform and liberalization. The lesson here for the U.S.-Iraq relationship is that a partnership formed by a shared positive vision can become stagnant, with incumbent governments reluctant to acknowledge what is clear to see. The domestic, regional, and international context can change, requiring different policy responses, yet a historic bargain becomes legally entrenched and remains binding on the parties.

U.S.-IRAQ RELATIONS: NO LEGACY OF CLOSE TIES

It is useful to remember that, since World War II, the United States and Iraq have never enjoyed close relations. There is no deep history of solidarity or deeply held shared values on which to build a new relationship. In fact, the U.S.-Iraq relationship has been fraught with mistrust, and successive generations of Iraqi leaders, while wanting the approval and economic attention of the West, have felt ambivalence if not hostility toward the United States and its global influence.

The pro-Western, educated elite in Iraq is a product of the British occupations (1920–32 and 1941–45).⁸ The second, wartime occupation reinstated many of the figures who had come to power under British tutelage, leading to a postwar polarization of society and turbulence in Iraqi politics. Opposition figures were affected by the Arab nationalism espoused by Gamal Abdul Nasser in Egypt and presented an alternative to what was increasingly seen as a complacent and privileged pro-Western leadership class. In the mid-1950s, when the United States promulgated the idea of the Baghdad Pact, a series of security treaties with regional powers (Turkey, Iran, Iraq, and Pakistan), the pro-Western Iraqi Prime Minister Nuri al-Said embraced it. Ultimately the pact, and fierce Egyptian opposition to it, contributed to the 1958 revolution. Led by Abdel Karim Qasim, the revolution had modernist, anti-colonial goals; caught up in the radical trends in the region, it became ruthless and anti-democratic.

Iraq was a recipient of U.S. aid in the 1950s, an average of \$16 million per year, largely in agricultural assistance. The level of aid dropped by more than 50 percent after the revolution; the United States reacted very negatively to the 1958 revolution, particularly because of the new government's ties to the Soviet Union. Within a decade, relations were severed—Baghdad's decision after the 1967 war—and were not reestablished at full ambassadorial level until 1984,

although an interests section was established in 1972, which permitted some official business to be transacted. In that long period of estrangement, Iraq was viewed by the Washington establishment as generally in the Soviet camp. There were intermittent interludes when Iraq's moderation on Arab-Israeli issues was probed, and a part of the U.S. policy community valued Iraq's modernist vision and ambition, as compared to the deeply conservative and traditional states of the Gulf, or the rising Islamic wave in Iran and elsewhere.

U.S. policy during the Iran-Iraq war (1980–88) merits a quick review, since it demonstrates both the possibilities of U.S.-Iraq cooperation in the face of greater threats, and the difficulties of establishing trust and common ground. It is now accepted that Iraq precipitated the war, and faced an Iranian army that had benefited from its training and association with the U.S. military. Iran was able to reverse Iraq's aggression in the first year, but Iraq enjoyed support from the Arabs and the Soviet Union, which feared an Iranian victory.

The official U.S. position in the early years was neutral: we condemned the war as a great danger to regional peace and stability, and called on all countries to refrain from arming either side. By 1982 and 1983, the United States was worried about the strategic implications of an Iranian victory, and opened up new channels with Baghdad. (Donald Rumsfeld, then special envoy for the Middle East, was a key player in this overture to Baghdad.) Iraq was removed from the terrorist list, and discreet intelligence-sharing commenced. The United States quietly signaled its approval of arms sales to Iraq by Gulf countries, although a U.S. ban continued. Food aid resumed, and official records show high levels of Export-Import Bank loans to Iraq for agricultural purposes. According to one account, the "tilt" to Iraq was never whole-hearted,⁹ and Iraq's development of chemical weapons, support for terrorism, and human rights abuses created an undertow of resistance in Washington policy circles. By the mid-1980s, the United States openly criticized Iraq's use of chemical weapons, and, more harmful to Iraq's interests, opened a secret channel to Iran that included arms transfers, driven by Washington's preoccupation with the wars in Central America and U.S. hostages in Lebanon. So the tilt to Iraq was, albeit briefly, replaced by a tilt to Iran. The war's end was facilitated by new cooperation between the United States and Soviet Union in a foreshadowing of post-Cold War politics. Washington and Moscow used the U.N. Security Council to build consensus and pressure to end the war, as its humanitarian toll eventually outweighed other considerations.

Iraq's invasion of Kuwait in August 1990 triggered a long period of acute antagonism between Washington and Baghdad, and a period of multilateral activism in containing and isolating the regime of Saddam Hussein. Iraq's friction with the West resulted in the creation of a new U.N. capacity: the U.N. Special Commission on Iraq, which searched for and destroyed most if not all of Iraq's arsenals and inputs for weapons of mass destruction, and has been a lasting success story for international nonproliferation efforts. It was only after the September 11, 2001, terrorist attack against the United States that Washington moved to replace containment with the destruction of the regime.

THE EXCEPTIONALISM OF U.S. POLICY SINCE 2003

There are countless ways in which U.S. policy toward Iraq over the past five years has been exceptional. We engaged in a war of choice against an Arab state that did not pose an imminent danger to the United States, although its decade of defiance against international sanctions was a challenge to U.S. leadership and interests. We toppled an Arab dictator whose internal policies were cruel beyond measure and whose relations with neighbors, Iran and Kuwait in particular, were reckless and violent. The U.S. government was overconfident that it could replace Saddam Hussein with a progressive, participatory political system, despite the fact that we had exceedingly little insight into the sociological and political traumas of ordinary Iraqis, and did not anticipate how the country would respond to new freedom and its uncertainties.¹⁰ Once on the ground in Iraq, U.S. policymakers also made a series of regrettable choices—from which Iraqi institutions to protect in the immediate aftermath of the invasion, to which constitutional provisions and electoral law options to promote, to how to implement ambitious plans for the restoration and reconstruction of the Iraqi economy and its infrastructure.

The United States has been at war with various and changing adversaries in Iraq for longer than it was in active combat in World War II. The total cost of the war(s) against Saddam Hussein, al-Qaeda, and Iraqi insurgents is currently estimated at \$12 billion per month, although budget experts are troubled that much of the war costs have been funded by supplemental requests to Congress that combine the wars in Iraq and Afghanistan as part of the global war on terrorism, thus impeding Congress' ability to conduct oversight and to understand accurately the real financial burden of U.S. policy in Iraq.

Other metrics of the exceptional U.S. involvement in Iraq include: an early commitment of \$18 billion in reconstruction funds (roughly the same amount as total U.S. aid to the rest of the world in 2004), which by 2007 totaled \$43 billion in aid to Iraq, including over \$14 billion for training of Iraqi security forces. The current presence of about 150,000 troops, 35,000 private security contractors, and 180,000 contractors for reconstruction, support to the military, and other purposes, now dwarfs our footprint in any major alliance relationship. (The United States maintains about 80,000 troops in Northeast Asia, and currently deploys 31,000 in Afghanistan.) On a smaller scale but still significant, the U.S. Embassy in Baghdad is the largest American embassy in the world in physical size, and one of the top two or three in terms of personnel, housing 300 career U.S. diplomats out of a total staff of 1,000. These various cadres of civilian workers in Iraq accrue other costs, direct and indirect, to the U.S. taxpayer.

In early April 2008, General David Petraeus and Ambassador Ryan Crocker appeared before Congress for the second time since the surge, providing status reports on the situation in Iraq. While their reports are seen as endorsing current policy, these career professionals enjoy considerable independent credibility, and their own analysis of conditions on the ground have a weight that is distinct from political rhetoric of elected officials. Ambassador Crocker offered cautious optimism that progress is being made in political and regional activities. The earlier exercise of establishing benchmarks for the Iraqis has been replaced with a broader-gauged analysis. In Crocker's view, the Iraqi parliament has become a more serious institution with rigorous debates over difficult issues such as provincial powers (comparable to decades of debate in the United States over states' rights in the federal system) and an amnesty law that permits employment of former regime employees. He also pointed out ways in which the rigid politics of sectarian identity are giving way to more fluid bargaining. Practical alliances over legislation are being formed outside sectarian groupings.

It is hard to determine whether a reduction in sectarian violence in key parts of Iraq is due primarily to the fact of greater separation of the communities through the Iraqi version of ethnic cleansing, or to a genuine calming down of the poisonous fever that gripped Iraq after the bombing of the Shia mosque in Samarra in February 2006. Deep reconciliation and forgiveness have not been achieved, but there are encouraging signs that many Iraqis in urban centers and small villages have returned to social norms where sectarian identity is

not the defining factor in all social contact, and politicians at the national level are engaging in more cross-sectarian activities and political bargaining. The Kurdish north continues to enjoy a more predictable and prosperous quality of life, but tensions remain over the Kurds' expectations of revenue flows from the central state, the ultimate status of Kirkuk, and intra-Kurdish political competition. Kurdish officials are prominent and important in Iraq's national life, even as, it is presumed, they harbor a strategic ambition to be independent of the Iraqi state.

In predominantly Sunni areas, it is now well established that tribal leaders made an important decision in 2007 to fight al-Qaeda and to prevent jihadism, foreign or domestic, from taking over their society. This trend has greatly increased the impact of the U.S. surge, and has created opportunities for joint operations, transfer of resources, and a new set of relationships. The big questions regarding the long-term significance of the change in Sunni sentiment are: (1) whether it can be constructively linked to dynamics at the center, rather than accelerate a decentralization of authority that would undermine the viability of the state, and (2) whether Sunnis believe that the current level of U.S. attention and support means that the United States now wants the Sunnis to return to power. Some Sunnis who are now transforming the Awakening movement into a political party, with U.S. encouragement, do harbor expectations that the U.S. would prefer an alternative to Prime Minister Nouri Kamel al-Maliki and his political alliance. If the Sunnis misread U.S. intentions, it could create new and dangerous tensions in the country and in our ability to influence events there.

But the biggest story in the evolution of politics in Iraq is what is going on within the Shia community.¹¹ This is the factor most likely to determine the future of Iraqi politics, the level of Iranian influence over national politics, how Iraq relates to all of its neighbors, and how the U.S. war of choice will affect regional stability for years to come. There is a profound political contest under way among Shia political groupings. It represents a raw power struggle for who will prevail in the new Shia-dominated political system, but it also has important historical, generational, and theological dimensions. The oldest of the Shia organizations, Dawa, the party of the prime minister, appears weaker by comparison to the renamed ISCI (the Islamic Supreme Council of Iraq) and to the Sadrist movement, each of which represents important pre-2003 political constituencies. Both ISCI and Muqtada al-Sadr have proven agile in adapting

to a freer political environment. The fortunes of Prime Minister Maliki, however, may be independent of the fate of the Dawa party, since he has become a national figure who increasingly plays his role above party politics.

Of the three main contestants for Shia leadership, it is Muqtada al-Sadr who has been most consistent in promoting a new Iraqi nationalism that could be used to set boundaries on Iranian influence, and create opportunities for Shia-Sunni cooperation on core issues of national interest (including ending the U.S. occupation). This is ironic, since he has been spending most of his time in Iran on a crash course to upgrade his credentials as an ayatollah (his father moved quickly up the clerical hierarchy in his mid-thirties) to better secure his legitimacy. Some see the young Sadr, for all his rough edges, as a political figure who could best reassert a strong national identity, and indisputably a major national figure for some time to come. Iraq under Sadr would not necessarily work easily with the West, but could assert some relatively consistent and predictable tenets of Iraqi national interest.

Each of these groupings has ties to Iran, including Tehran's long support to exiled oppositionists to Saddam Hussein. This does not mean, however, that one should see a linear construct in which degrees of Iranian influence or control can be compared or quantified. Each Iraqi Shia grouping has tried, at various junctures, to demonstrate its independence from Iranian political and theological tenets. Iran will continue to find ways to maintain ties to all key players, Shia or not, with a combination of threats and inducements, but it should be understood that inter-Shia dynamics are very fluid at present, and Iran itself is hedging its bets. No Shia leader can be sure that Iran will be a trustworthy ally—behind the public embraces are often layers of intrigue and mistrust that outsiders can easily misinterpret. It is not a foregone conclusion that Iraq has fallen permanently into the Iranian orbit; Baghdad still has the means, if it has the will, to set limits and define the terms of its “special” relationship with Tehran.

A NEW APPROACH: TOWARD A MORE NORMAL RELATIONSHIP

It is time to plan for a transition to a more modest and realistic relationship with Iraq. The United States has important stakes in Iraq, but needs to shift its focus from trying to be the impresario of Iraq's reinvention to being a supportive friend of a country in a critical and extended transition. We understand from

other regions that the normal cycle from a great rupture or collapse of one political order to a stable new order takes a decade or more. Unlike wards of the international community, such as East Timor or Kosovo, Iraq has the capacity and intention to be master of its own destiny, and a prolonged U.S. occupation creates new frictions and accrues new costs to both parties. The best course for all parties would be for the United States to establish a realistic set of goals and a path toward a more normal relationship with Iraq, based on a fresh articulation of U.S. interests in the region and U.S. approaches to the region's ongoing tensions.

Some have suggested that the U.S. relationship with South Korea might serve as an alternative model for U.S. relations with Iraq.¹² But that is a formal alliance relationship premised on a real and shared threat perception relating to North Korea and its support from a communist giant, the People's Republic of China, as part of a global ideological challenge. While Iraq and the United States may consider al-Qaeda a real and shared threat, one can easily see that a formal military alliance with an open-ended commitment of U.S. combat-ready troops is not the most useful or appropriate way to mitigate that threat, and such an alliance does not appear to be politically feasible at this time.

Another analogy for relations with Iraq might be the concept of "pivotal states" that shaped the Clinton administration's approach to a set of emerging middle powers in democratic transitions. Secretary of State Madeleine Albright's list of states that merited special attention and support included countries that had important roles in their regions, and were potential middle powers on the global scene—Nigeria, Brazil, Indonesia, Turkey, Ukraine. One can see Iraq, should it achieve internal stability and manage its relations with Iran, as a country of particular importance to a regional and global strategy that recognizes achievements in reform and in regional leadership.

Irrespective of the name, a new policy would differentiate between U.S. requirements and Iraqi progress. It would accept the painful truth that there is no early achievement of a stable and democratic Iraq. It would not rule out such an achievement over time, and it would recognize that, for better or worse, there is a new political culture in Iraq. It would accept that a U.S. midwife role for the creation of Iraqi institutions and political processes is no longer appropriate or helpful. Iraq must lead its own transition, and the United States needs to step back to playing a supporting cast role, not sharing the lead.

PLANNING FOR A NEW POLICY

A new policy planning exercise begins with an articulation of U.S. interests and goals. The new administration should make this exercise a priority, and should begin soliciting ideas and exchanging views with diverse experts during the transition period. This report expresses the new goal as “a more normal relationship,” arguing that the United States should scale back its presence and engagement to something more in balance with its relations with other key regional players, such as Egypt and Saudi Arabia, and to do so independently of Iraqi progress or lack thereof on political and security conditions.

The policy seeks to reduce the costs of our engagement in Iraq, and to accept more modest outcomes for the U.S. investment there. It focuses on the importance of Iraqis owning the next phase of their transition to stability and political openness, and asserts that a big brother role for the United States is now counterproductive: it is delaying rather than facilitating further reforms in the Iraqi political system. It is also an important principle for U.S. democracy-promotion in general that the United States support institutions and processes more than individuals. Those who direct U.S. policy need to step back and separate long-term U.S. goals from the behavior of the current Iraqi government. Ironically, showing some distance and some respect for Iraqi independence could also make it easier for Iraqi leaders, of any party, to work with the United States on a mutual-interests basis, rather than maneuver through the acute anti-Americanism of some constituencies or the more general resentment that has built in the public during the years of occupation and disappointment.

The March 2008 fighting in Basra between government forces and those of Muqtada al-Sadr’s Mahdi Army, precipitated by a decision by Prime Minister Maliki, is a useful case to demonstrate the need for a new policy. It appears that the United States was not fully informed about Maliki’s intentions and his timing, and even counseled against action before the Iraqi forces were ready for such an engagement. Maliki’s offensive initially went poorly, and U.S. and British forces had to make an emergency intervention virtually to rescue the prime minister. Iran may have played an important role in counseling the Sadrists. Once the fighting subsided, an unexpected consequence was that the political class in Baghdad, minus the Sadrists, rallied to the prime minister. This support across sectarian lines is now touted as evidence of a maturing political culture in Baghdad, one that strengthens Maliki and helps the United

States in its defense of the current government. Current U.S. policymakers were thus in the awkward position of being held responsible for Maliki's mistakes even though they were left out of the loop, of being compelled to take risky operations to help Maliki, and then rationalizing that there was a silver lining to the Basra cloud. A more detached policy, with fewer entanglements for the United States as the Iraqis make their own choices, would be desirable.

The security dimensions of a new policy will be complicated and controversial, since any dramatic change will be seen by some as dishonoring the young men and women who served and sacrificed in Iraq. But reformulating American goals so that U.S.-Iraqi relations can be positive and sustainable would be a surer way of bringing closure than an open-ended commitment where violence has no discernible end.

A determination that the surge is over and that we will have a more narrowly defined security mission in Iraq is needed; one cannot avoid the fact that such a transition will generate political and logistical strains for the United States. Over time, facilities under U.S. control will be transferred to joint or Iraqi control. It cannot be done in less than eighteen months, and will require the operational skills that the U.S. military often excels at, so that al-Qaeda and other adversaries do not turn the departure into opportunities for more attacks.

Incumbent U.S. and Iraqi officials can be expected to agree on some ongoing U.S. roles and missions, including: training the Iraqi security forces, a joint anti-al-Qaeda counterterrorism mission, and a U.S. Embassy and force protection function. Trickier will be reaching an understanding, absent a formal treaty or legally binding security guarantees, on U.S. responses in the event of an attack on Iraqi territory, or the harder problem set of Iranian subversion and covert activities, including military support to various militia that weaken the Iraqi state. Special bilateral consultations that continue to address the Iran problem would be useful to both sides, and will send an important deterrent message to Iran, even as the U.S. presence contracts.

This realignment of the security profile can best succeed in the context of a reinvigorated American approach to the region as a whole. A new administration will have the daunting task of rebuilding U.S. trust and credibility in a region that has lost confidence in and affection for much of America's power, both hard and soft.¹³ Early outreach to the region by senior officials, willing to engage in frank talk and consider new approaches to regional security, will be critical. The

neighbors will need to hear from a new administration about its level of commitment to security cooperation with the regional states that is not premised exclusively on Iraq or Iran, but looks at the region more comprehensively. The United States has to be seen as active and respectful of regional priorities and concerns, from new attention to the Arab-Israeli dispute to willingness to adjust its policies toward Iran.

Iraq's Arab neighbors will hope to see a strategic assessment of U.S.-Iran relations and a willingness to consider new approaches. The Arab neighbors do not necessarily seek full U.S.-Iranian rapprochement; they seek some middle ground that avoids war and limits Iran's ambitions, and creates space for them to have "normal" relations with Tehran that do not threaten their own independence. Signs of a U.S. effort to manage Iran's rise more effectively, most likely through an offer of engagement, will create a more favorable environment in which change in U.S. policy toward Iraq will be seen in context. In the best case, it could lead to more constructive engagement by Iraq's neighbors, even though the neighbors are still not ready for robust embrace of the Maliki government. This policy proposal does not attempt to promote a single solution to all the security problems of the region, but it assumes that the region will be more receptive and more supportive of changes in U.S.-Iraq relations in the context of fresh thinking about regional peace and security.

MANAGING THE POLITICS AND PERCEPTIONS

A new administration will need to manage the politics of a policy change with great care and energy. It will need to engage Congress on new approaches that would return to Congress more appropriate oversight of U.S. commitments and programs in Iraq. Some will be concerned about a loss of U.S. credibility and will focus on the dangers and risks of scaling back U.S. presence. They will be sensitive to any unintentional insult to those who served honorably in Iraq. But policymakers and politicians can find a way to acknowledge the contributions of the past while recasting the Iraq debate to the future. Fresh analysis and exposure to Iraqi views will be important in the development of a new approach. Should inter-factional fighting worsen in Iraq, for example, some might argue for suspending any drawdown of U.S. forces, but this policy attempts to reduce America's liability for the ups and downs of political violence in Iraq.

Public opinion in both countries can have an important effect on political choices, although it is rarely determinative, and, in time of war, highly volatile and reactive to changing trends. A few strong patterns are clear from several years of polling Americans and Iraqis on their views of the U.S. occupation and its consequences:

1. Over the past six months, Americans have consistently expressed disapproval of the Bush administration's handling of Iraq, ranging from 64 percent to 70 percent. A majority (ranging from 51 percent to 59 percent) believe we should have stayed out entirely.¹⁴
2. Americans have little stomach for an open-ended engagement in Iraq. In March 2008, 46 percent of those surveyed said we should be out in less than a year, with an additional 22 percent preferring an exit in one to two years, and 14 percent willing to stay two to five years. This means 82 percent of Americans want us out within five years.
3. Iraqis have some internally contradictory views of the current U.S. role. In March 2008, they were evenly divided as to whether the U.S.-led coalition should have invaded Iraq in 2003. Seventy-two percent currently oppose the presence of coalition forces in Iraq, although only 38 percent want them to leave immediately. Only 20 percent of Iraqis said they had a great deal or quite a lot of confidence in the U.S. forces, while 65 percent expressed confidence in the Iraqi Army.¹⁵
4. Iraqis, nevertheless, want the United States to remain an important provider of security and economic assistance. Seventy-six percent of Iraqis polled want to the United States to have a future role in training and arming the Iraqi army, 73 percent want to the United States to provide reconstruction aid, and 80 percent want the United States to continue to participate in security operations against al-Qaeda or foreign jihadists in Iraq.

The professional military will also have views on the timing of a more dramatic scaling back of troop presence than is currently envisioned. Operational considerations will play a role, but should not drive the timing and goals of a new policy. The military has its own stake in leaving Iraq when conditions are favorable, so that its historic legacy in Iraq will be viewed in positive terms. But the military will also adapt to new policy guidelines and requirements. It is likely that a careful, coordinated implementation of a new policy in Iraq

will take two to three years to implement once the decision is made. A more rapid drawdown might create new dangers—such as increased refugee flows and spikes in violence by Iraqi militia—and is not consistent with the spirit of this policy proposal, which aims for a softer landing.

A transition to this new policy will require careful negotiations with the incumbent Iraqi government, and good communication with other Iraqi actors and constituencies. Iraqis can and probably will misunderstand or interpret any change in U.S. policy according to their own political preferences, but the United States can work in its public pronouncements and its more operational interactions to convey the new policy and its component parts. The Strategic Framework Agreement currently in negotiation may become a useful platform for annual consultations that help set priorities for the bilateral relationship, and provide both sides a chance to exchange views on the regional and global contexts. It may in fact be useful that as of mid-2008, both parties seem to prefer a general statement of principles to a formal treaty; this may offer a more flexible way to keep the bilateral conversation open and responsive to changes in either party's political environment.

Within a year of a new U.S. policy, Iraq too could have new leaders as a result of their 2009 parliamentary and presidential elections. It is possible that new Iraqi leaders would want to accelerate the disentanglement of the two countries' politics and policies, particularly if Iraqi voters make the U.S. occupation a major issue in the campaign. Some Iraqi political parties are intensely ideological and espouse anti-American views. But it is more likely that Iraqi leaders across the political spectrum will look for ways to work constructively with the United States. For better or worse, the Iraqis are likely to be pragmatic in their dealings with the outside world, so long as their needs for technical and political support are compelling.

The key states in the region also need to be consulted in a way that minimizes their ability to undermine a transition, and attempts to persuade them to participate more actively in treating Iraq as a normal country. Our goal should be to eliminate the negative; accentuating the positive in Iraq's relations with its Arab neighbors in particular may be difficult for some time to come. The Arab neighbors simply are not ready to trust the new Iraq and its leaders; the shift to a messy, Shia-dominant government after years of predictable Sunni authoritarianism is still hard to accept. The neighbors will be anxious about what a

contraction of the U.S. presence will mean for them, including possible expectations that the United States will ask them for more military access. Serious talk of a new regional strategy that engages all the neighbors and integrates Iraq will be the best way to avoid the pitfalls and the disappointments of recent years.

While America's coalition partners most likely will appreciate a reduced exposure for their forces, a planned reduction of the American presence will have implications for the United Nations, which has restored its presence in Iraq after the tragic bombing of its headquarters in Baghdad in 2003. The United Nations can be expected to play a more prominent role, despite resistance from some member states and career professionals at U.N. headquarters, who object to being asked to work to implement a controversial U.S. policy yet fear new chaos in Iraq should the United States pull back too abruptly. The strengths of the United Nations are providing support to elections, national reconciliation efforts, programs for refugees and internally displaced persons, and various reconstruction and development activities, through its specialized agencies, including the U.N. High Commissioner for Refugees, the U.N. Development Program, and so on, under the auspices of its integrated mission, UNAMI (The U.N. Assistance Mission in Iraq). The international community will have its role in determining Iraqi needs and levels of support as this policy is executed, and may find that a reduced American presence creates a more congenial space in which impartial international operations can proceed. The United States, which has been the catalyst for various meetings of donors and neighbors, will need to provide strong support and subtle leadership, financial and otherwise, for an ongoing international presence in Iraq.

ADDRESSING PRACTICAL MATTERS

Once the goal is set for a more normal relationship with Iraq within, say, three years, a series of practical steps can be developed to achieve that outcome in ways that minimize disruption of activities and careers for the American civilian and military officials in country. A three-year horizon would create some turmoil in planning for embassy staffing, housing, procurement, and so on, but it is not unrealistic.

Policy implementers can look to low-hanging fruit in disestablishing some of the unique institutions created in 2003, such as the Special Inspector General for

Iraqi Reconstruction, the funding vehicles created exceptionally for disbursement of contracts in Iraq, and a host of special workarounds created for Iraq.¹⁶ These special authorities, established when Iraq's sovereignty was effectively suspended, need to be shut down, in part because their exceptional status has created unnecessary bureaucratic complexity and has even generated its own problems of oversight and accountability. We need to reintegrate Iraq spending and programs into our established systems, to bring them back to scale, to provide normal oversight, and to prevent misuse and corruption, which is one of the sad legacies of our aid relationship since 2003.

The U.S. Embassy compound will present other practical problems. It comprises twenty-one buildings on a sixty-acre site, larger than U.N. headquarters in New York. Should the State Department determine that we can conduct a "normal" relationship with Iraq with fewer personnel, as is likely, there will be hard questions about the cost of maintaining under-utilized facilities. Current plans allow for part of the military mission to be housed on the embassy compound, which has security risks and benefits to the civilian presence. In a peaceful scenario in which Iraq stabilizes, one can imagine creative use of parts of the compound for cultural and educational purposes, for regional programs, or even reconfiguring the compound and permitting the sale of parts of it. But there would be important symbolism to acknowledging that the neo-colonial presence, with U.S. experts engaging in all aspects of Iraqi life, is no longer desired or needed.

The U.S. Agency for International Development (USAID) is already in transition in its rhetoric and on the ground: "we no longer do bricks and mortar," say USAID officials. Rather, their April 2008 publications indicate that they have moved from the "restoration of services" period (2003–06) to "build and sustain systems" (2006–08), and they envision a more traditional "bilateral development support" mission for beyond 2008. Their guiding principles are: Iraqis lead, USAID assists when asked, and Iraqis set the development priorities. They are also pleased that Iraq is self-funding many of its development activities through oil revenue. These changes in the aid relationship already under way are compatible with the "normal" relationship envisioned in this report.

A normal relationship should allow robust exchanges with Iraqi civil society, a critical building block for a democratic future. The United States should

not scale back its activities related to training journalists, working with political parties, facilitating access the U.S. market for new Iraqi entrepreneurs, providing scholarships to worthy Iraqi students, and so on. These activities will not be excessively costly, and can be integrated into regional programs focused on reform.

There are countless other ways in which the operational aspects of U.S. policy in Iraq can be adjusted and modified. Some are already occurring, as legal authorities expire and as common sense dictates. A conscious effort to review the various embassy-led activities, along side a more complex reassessment of security requirements, would be a critical part of planning for a new policy.

CONCLUSION

Iraq has called for an end to its exceptionalism by informing the United Nations and the U.S. administration that it will not ask for renewal of the Security Council's grant of legal authority to coalition countries for enforcement measures under Chapter VII when it expires later in 2008. This is an important political marker that effectively requires the United States to rethink its presence and its purpose in Iraq, yet the current administration finds it very hard to abandon its established approach, even as its tenure in office runs out. The contenders for the presidency also need to think beyond rhetorically effective sound bites to imagine the real challenges and opportunities that 2009 will present for the United States and for Iraq. Americans want to see change, and reduced costs, to our engagement in Iraq. Many do not think that Iraq's uncertain future should be America's responsibility, and they are concerned about our ability to respond to other demands on U.S. resources and leadership, including the treatment of returning veterans and their re-integration into a struggling U.S. economy. But there is a responsible path that allows us to reduce our out-sized presence in Iraq, even as we maintain an appropriate level of engagement with a country which, for better or worse, will be an important player in a critical region for the foreseeable future. The United States can and should recast its stakes in Iraq, not to turn its back on a painful chapter, but to work toward a more constructive, and appropriately modest set of policy goals there.

NOTES

1. The administration hopes to have a Strategic Framework Agreement that outlines broad principles of the bilateral relationship in all its aspects, as well as a Status of Forces Agreement governing the role, size, and authorities of a U.S. security presence, by summer 2008.

2. A debate has emerged as to whether the U.S. invasion of Iraq has been a major cause of the economic recession. Economist Joseph Stiglitz believes that war debt, combined with tax cuts that created easy credit, created the economic crisis, but his analysis is questioned by other economists. See “Economics Debate Link between War, Credit Crisis,” *Washington Post*, April 15, 2008, p. A3.

3. Gary Sick, “The United States in the Persian Gulf: From Twin Pillars to Dual Containment,” in *The Middle East and the United States: A Historical and Political Reassessment*, David W. Lesch, ed. (Boulder, Colo.: Westview Press, 2003), p. 292.

4. *Ibid.*, p. 293.

5. According to Iran expert Shaul Bakhash, it was a \$200 million loan for military procurement that stimulated Ayatollah Khomeini to lash out publicly about the “enslavement” of Iran and an American strategy to “destroy Islam.” See Shaul Bakhash, *Reign of the Ayatollahs: Iran and the Islamic Revolution* (New York: Basic Books, 1984), p. 33–34.

6. Herman Eilts, “The United States and Egypt,” in *The Middle East Ten Years after Camp David*, William Quandt, ed. (Washington, D.C.: Brookings Institution Press, 1988), p. 112.

7. Ahmed Ismail Fakhr, “The Future of the U.S.-Egyptian Partnership,” in *Egypt at the Crossroads: Domestic Stability and Regional Role*, Phebe Marr, ed. (Washington, D.C.: Brookings Institution Press, 1988), p. 223.

8. The first occupation was 1920–32. Phebe Marr, *The Modern History of Iraq* (Boulder, Colo.: Westview Press, 2004), p. 58–60.

9. Joost Hiltermann, *A Poisonous Affair: America, Iraq and the Gassing of Halabja* (New York: Cambridge University Press, 2007), p. 40.

10. See, for example, Ellen Laipson, “Assessing the Long Term Challenges,” in *How to Build a New Iraq after Saddam Hussein*, Patrick Clawson, ed. (Washington, D.C.: Washington Institute for Near East Policy, 2002), pp. 9–17, where I argued that we did not know how a traumatized Iraqi society would respond to abrupt change, and that we should not expect Iraqis to become democrats overnight.

11. Useful analysis of Iraq’s internal politics can be found in United States Institute of Peace publications, including a USIPeace Briefing by Daniel Serwer and Sam Parker, “Iraq After the Surge: Options and Questions,” April 6, 2008; a USIPeace Briefing by Daniel Serwer and Rend al-Rahim, “Iraq: Politics Unfrozen, Direction Still Unclear,” January 2008; and USIP Special Report by Phebe Marr, “Iraq’s New Political Map,” January 2007.

12. See *The Possible Costs to the United States of Maintaining a Long Term Military Presence in Iraq*, Congressional Budget Office, September 2007. This study estimates that at a level of fifty thousand troops, annual costs would be about \$30 billion for a combat scenario and \$10 billion for a noncombat scenario.

13. See the latest polling by Shibley Telhami in the 2008 Annual Arab Public Opinion Poll, which indicates that 83 percent of Arabs hold unfavorable views of the United States, among other things; available online at <http://sadat.umd.edu/surveys/index.htm>.

14. CBS News Poll, “Iraq,” March 15–18, 2008, [PollingReport.com](http://pollingreport.com/iraq.htm), available online at <http://pollingreport.com/iraq.htm>.

15. BBC, "Iraq Poll March 2008," available online at http://news.bbc.co.uk/2/shared/bsp/hi/pdfs/14_03_08iraqpollmarch2008.pdf.

16. Other examples include: the Iraq Transition Assistance Office (ITAO), which provides U.S. "advisors" to Iraqi ministries as part of a capacity development policy; scaling back our role in the power sectors; and rethinking reliance on the hybrid Provincial Reconstruction Teams (PRTs), which integrate military and civilian activities at the province level, but will be less appropriate as the military role scales back.

ABOUT THE AUTHOR

ELLEN LAIPSON became president and CEO of the Henry L. Stimson Center in 2002, after nearly twenty-five years of government service. Her key positions included vice chair of the National Intelligence Council (NIC), special assistant to the U.S. permanent representative to the United Nations, and director for Near East and South Asia on the National Security Council staff. At Stimson, she also directs the Southwest Asia project, which focuses on a range of security issues in the Gulf region. In 2006, she conducted two workshops with Iraqi civil society leaders, and co-edited *Iraq and America: Choices and Consequences* (Henry L. Stimson Center, 2006). She has an M.A. from the School of Advanced International Studies, Johns Hopkins University, and an A.B. from Cornell University. She is on the boards of the Education for Employment Foundation and the Asia Foundation.

ABOUT THE CENTURY FOUNDATION

The Century Foundation sponsors and supervises timely analyses of economic policy, foreign affairs, and domestic political issues. Not-for-profit and nonpartisan, it was founded in 1919 and endowed by Edward A. Filene.

BOARD OF TRUSTEES OF THE CENTURY FOUNDATION

H. Brandt Ayers	Richard C. Leone
Alan Brinkley, Chairman	Jessica Tuchman Mathews
Joseph A. Califano, Jr.	Alicia H. Munnell
Alexander Morgan Capron	P. Michael Pitfield
Hodding Carter III	John Podesta
Edward E. David, Jr.	Richard Ravitch
Brewster C. Denny	Alan Sagner
Christopher Edley, Jr.	Harvey I. Sloane, M.D.
Charles V. Hamilton	Theodore C. Sorensen
Matina S. Horner	Kathleen M. Sullivan
Lewis B. Kaden	Shirley Williams
James A. Leach	William Julius Wilson

Richard C. Leone, President