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Iraq After the Surge: Options and Questions

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Iraq remains a critical problem for the United States. Security has improved to roughly 2005 levels, and tentative political progress has been made, but there is no visible end to the U.S. commitment required to prevent Iraq from spinning out of control and threatening a widening war in the region. The Bush Administration and the Congress face difficult choices: How can the relative success during the period of the surge be prolonged and solidified? Should the drawdown continue? When will the Iraqi security forces be ready to take over? What can be done to accelerate political progress?

In September, Iraq experts convened by the U.S. Institute of Peace identified five paramount interests that U.S. policy in Iraq should aim to serve:

- Prevent Iraq from becoming a haven or platform for international terrorists
- Restore U.S. credibility, prestige and capacity to act worldwide
- Improve regional stability
- Limit and redirect Iranian influence
- Maintain an independent Iraq as a single state

The same group reconvened in recent months to consider policy options for political development in Iraq formulated on the basis of these five interests. Sharp differences emerged, mainly due to different prioritization of the interests listed above. Rather than debating whether to stay or withdraw, those interested in Iraq would do well to focus on which national interests they hold most dear and how the policies they advocate serve those interests. Doing so would not lead to consensus, but it would clarify what is at stake and allow a more reasoned debate.

This paper describes the current policy (as well as possible variants) and presents two alternatives that would reduce the U.S. commitment to Iraq. In deciding among the options, there are important questions that remain to be answered. As General David Petraeus and Ambassador Ryan Crocker are expected to appear before Congress in April, we have appended to this analysis a series of questions that they might be asked so as to clarify U.S. policy and policy options.

An Improved But Still Fragile Situation

The emerging political reality in Iraq is a weak and divided central government with limited governing capacity. Mistrust among leaders in Baghdad remains high. Key ministerial posts have remained unfilled for months. Important legislation—on de-Ba'athification, amnesty, provincial powers and the budget—has passed, but implementation is uneven. The Iraqi security forces have been strengthened but remain far from able to sustain themselves or fight insurgents and militias on their own. Mixed loyalties within the Iraqi Security Forces (ISF) continue to pose a threat.

A main achievement of the central government has been collection and distribution of oil revenue. Spending has improved: upwards of 60 percent of the capital budget in 2007 compared to less than 20 percent in previous years. The U.S., working through Provincial Reconstruction Teams, has played an important role in shaking loose central government money, which provincial governments are beginning to invest locally. The Kurdistan Region remains virtually independent.

Various factors have decreased instability. An indigenous tribal movement known as the Awakening (Sahwa), mainly but not exclusively Sunni, has arisen to fight al-Qaeda and, in some cases, to take part in the political process. The U.S. has formed alliances with some of these armed groups. More numerous U.S. forces have deployed into neighborhoods alongside Iraqi security forces. The results are notable: Anbar province and (until very recently) much of Baghdad have been relatively secure, though Ninewa and Diyala provinces are still seeing significant violence.

The situation in the south has recently grown more violent as the Iraqi government waged an assault on Basra to extirpate the Mahdi Army (JAM) led by Muqtada al-Sadr. For seven months prior, JAM had more or less maintained a ceasefire but did not disarm or demobilize. The government operation's long-term effect on stability remains to be seen: if successful, the effect should be largely positive, as it would weaken JAM. If it fails, the government may be perceived as weak and JAM empowered.

The reduced level of violence, still far short of the needs of both Iraqis and Americans, leaves the situation fragile and dependent on the presence of U.S. forces. Even with that presence, relative stability may not last. Without political progress, the U.S. risks getting bogged down in Iraq for a long time to come, with serious consequences for its interests in other parts of the world.

Current Policy

The current U.S. commitment level to Iraq is full and unconditional. It is "full" in the sense that the U.S. is making a major military, political and financial commitment, one that is straining U.S. resources. It is "unconditional" in that the U.S. has not tied support for the Iraqi government to its performance, which has fallen short.

The policy in Iraq is two-pronged, incorporating both bottom-up and top-down approaches.

Bottom-up
Bottom-up tactics in Baghdad and central and western Iraq have brought about increased security, functioning provincial and local governments, improved provision of government services and some economic development. This approach is designed to create a virtuous circle of peace and economic development at the local level, to facilitate an environment in which common interests emerge and to lay the foundation for a more enduring political solution. The goal is to empower local leaders who have a tangible stake in sustaining peace and prosperity.

The U.S. has taken a more hands-off approach in Iraq's South. Rather than reach out to local leaders, the U.S. has assisted its primary Shiite ally, the Islamic Supreme Council in Iraq (ISCI), and the largely ISCI-controlled Iraqi Security Forces in their effort to limit Sadrist influence. This approach culminated in U.S. air support in the recent assault on the JAM in Basra. ISCI and the Sadr movement both enjoy strong support from Iran. In the view of some, this policy leaves the door open to Iranian political influence while combating Iranian support for militancy. In both the Sunni and Shiite areas of Iraq, the U.S. has worked to bolster provincial and local governing capacity.

The U.S. continues to support the autonomy of Kurdistan but has become more guarded in its support for the Kurdish parties and the Kurdistan Regional Government. The most significant development in this regard was tacit U.S. support for a Turkish military incursion into Iraq in February and March. The U.S. has also been cool to Kurdish demands for a constitutionally mandated referendum, the deadline for which expired at the end of 2007, to determine whether Kirkuk province will come under Kurdistan's control.

The bottom-up approach accepts Iraq's decentralized political reality and seeks to cooperate with those who can control their respective areas and whose interests are not out of line with those of the U.S. This policy has succeeded in reducing violence and has engendered an atmosphere conducive to local level economic and political development. However, it has also reinforced Iraq's political fragmentation, which may work against efforts to forge a truly national political compact, at least in the near term.

Top-down
The U.S. has also continued its efforts toward "national reconciliation" at the central government level. These have focused on the achievement of legislative benchmarks that deal with fundamental distribution of power issues and the ultimate shape of the Iraqi state, such as oil legislation, constitutional reform, provincial powers legislation, amnesty and de-Ba'thification. The U.S. is also working to build capacity in the Iraqi government, focusing primarily on training and equipping ISF. In part because the U.S. has not imposed any conditions for its support of the Iraqi government, it has little leverage over its decisions.

The Iraqi parliament has achieved some but not all of the benchmarks set out for it by the administration. The laws that it has passed, such as de-Ba'thfication and provincial powers, are vague, and much will depend on their implementation. Iraqi leaders focus on the benchmarks to satisfy the U.S., but their priorities are elsewhere: for example, providing basic services, managing Iraq's detainees and, to a lesser extent, dealing with Iraq's displaced population.

The benchmarks were intended to serve as proxy indicators for a broader "national reconciliation," i.e., a commitment among the majority of Iraq's competing factions to

fundamental principles about the Iraqi state. The benchmarks have not succeeded in this regard. The progress made has been the result of tactical horse-trading, which, though positive as far as it goes, has not alleviated the underlying causes of political instability in Iraq or facilitated the emergence of a truly national polity.

Options for Future Policy Adjustments
Within the current policy, there are two variants the U.S. could consider.

Embrace Bottom-Up: Given the limitations of the current government in Baghdad—its lack of connection to the Iraqi people and its dominance by self-interested political factions—the U.S. may be better off directing its efforts to the local level even more than it already has. Rather than trying to resolve long-term, controversial political issues about the nature of the Iraqi state, the U.S. could let those questions linger and instead work on governing capacity building at the provincial and local levels and cultivating new, local leaders. Later on, after new, more locally oriented political parties emerge and take part in elections, the stage may be set for a real and lasting national political reconciliation.

Political Surge in Baghdad: An alternative is the "grand bargain," which would recognize that the legislative benchmarks are not serving their intended functions and have been achieved hurriedly in order to satisfy U.S. demands. A "grand bargain" approach would bring all Iraqi factions together for an all-encompassing, wide-reaching dialogue to resolve fundamental issues with regard to the Iraqi state, including federalism and distribution of power. The ideal conduit for this grand bargain is a revision of the constitution that adequately represents the full range of Iraqi political factions. Once struck, the bargain would need to be buttressed and enforced by the creation of a viable state apparatus capable of providing security and stability and ensuring public buy-in to the new political order.

Other Options?

The current policy has three shortcomings:

- *Gains may be tenuous.* Much of its success is due to factors that are outside U.S. control and therefore subject to change. This includes the JAM ceasefire and the Awakenings' continued willingness to cooperate. Empowering the Awakenings—often composed of former insurgents and leaders stridently opposed to the Iraqi government—carries with it a major risk of blowback.
- *No political solution.* Political progress is so slow, halting and superficial, and social and political fragmentation so pronounced, that the US is no closer to being able to leave Iraq than it was a year ago. Lasting political development could take five to ten years of full, unconditional U.S. commitment to Iraq.
- *The cost is high.* The U.S. commitment to Iraq carries a massive cost, both human and financial, in addition to the global interests the U.S. is sacrificing to its commitment in Iraq. Even if progress in Iraq continues, the results may not be worth the cost.

If the U.S. is unable or unwilling to sustain a full, unconditional commitment to Iraq, it will need to look for alternative policies that reduce U.S. commitment but protect at least some of its vital interests. Two alternatives stand out: a *reduced, conditional commitment* and an *unconditional, near-total reduction of military commitmen*t. We outline both of these alternatives below.

Reduced, Conditional Commitment

- *Summary:* Make future U.S. support for the Iraqi government conditional on achievement of a few minimal political goals, resulting in a decentralized system with a weak central government supported by a much-reduced U.S. presence.

Basis: The U.S. military posture needed to support security gains in Iraq is unlikely to be sustained beyond 2008. Reductions in troop levels will likely result in some degree of chaos and violence no matter what. The decentralized, fragmented political dynamic in Iraq cannot be reversed. The establishment of a central government in Baghdad that can take over the U.S. security role will not happen in the time available.

The minimum acceptable outcome to justify continued U.S. support is a highly decentralized Iraq with a central government performing only two critical functions: revenue distribution and national-level security. To reach this outcome, Iraq needs to have:

- A mechanism for oil revenue sharing
- Provincial elections to help formalize the decentralized power structure
- A professional, neutral and non-sectarian army to guard the state and police factional violence

Even these few steps may be asking too much, but in an effort to reach them the U.S. should make clear to the Iraqi government that if it does not make meaningful progress toward these goals by the end of 2008 then the U.S. will withdraw on its own schedule. If the Iraqi government responds to this pressure, then the U.S. will maintain a reduced force presence to support, train and equip the ISF and help police Iraq's competing factions. The current bilateral negotiations for a U.S./Iraq agreement provide a forum in which to set the terms of this bargain, which should also include an assurance that the U.S. seeks no permanent bases in Iraq.

This policy avoids imposing U.S. requirements beyond the bare minimum, thus limiting the U.S. political and diplomatic effort. It is unwise to continue to invest major resources and expectations in an effort to strengthen the central government. If the Iraqis fail to act, the U.S. should cut its loses.

Unconditional, Near-total Reduction of U.S. Military Commitment

- *Summary*: Unconditional redeployment of all deployed U.S. forces from Iraq, coupled with an enhanced security presence in the region, an invigorated diplomatic effort, and continuing political support to the Iraqi government

Basis: The continued presence of U.S. forces in Iraq cannot produce an outcome worth the costs in lives and resources. Moreover, the broader global interests that the U.S. is sacrificing due to its presence in Iraq far outweigh any gains that could possibly be achieved there. This option would include:

- A firm, non-negotiable timetable for withdrawal of all U.S. forces from Iraq that has no relation to the Iraqi political environment and is not subject to change (for example, withdrawal to begin in January 2009 and be completed in January 2011).
- Enhanced U.S. military presence in the Gulf and maintenance of U.S. ability to intervene from outside of Iraq
- Rebuilt regional alliances
- Within the limits allowed by withdrawal of deployed U.S. forces, a U.S. diplomatic and assistance presence inside Iraq, including a train and equip mission managed by the Office of Defense Cooperation in the U.S. embassy

U.S. Interests, Risks and Requirements

Each of these policies places different priority on the U.S.'s five critical interests in Iraq, and poses different risks and requirements:

Full, Unconditional Commitment:

- *Platform for Terrorism:* Major positive. Provides strategic denial to al-Qaeda in Iraq (AQI) as long as Awakenings and U.S. forces remain in place.
- *Restore capacity and credibility:* Major negative. U.S. troops are not freed up for use elsewhere. On the positive side, the U.S. may generate credibility by sustaining its commitment to its announced goals.
- *Regional Stability:* Mixed. A large U.S. force presence prevents a major regional conflagration but could also serve as a justification for regional interference in Iraq.
- *Iranian Influence:* Slight positive. This policy focuses on curbing Iranian-sponsored militancy, but leaves the door open to Iranian political influence. Over time, if a national dialogue is successful, the emergence of an "Iraqi center" could work to balance out Iranian influence.
- *Single State:* Major positive.

Reduced, Conditional Commitment:

This assessment of interests assumes that bargaining succeeds. If bargaining does not succeed, see below.

- *Platform for Terrorism:* Positive. Encourages Sunni buy-in to the political process and therefore also helps deny a safe haven. A residual force will also be in place to combat AQI when necessary and facilitate intelligence gathering.
- *Restore capacity and credibility:* Positive with regard to maintaining U.S. capacity Mixed effect on prestige and credibility, largely depending on execution.
- *Regional Stability:* Slight negative. Radical decentralization and reduced force presence risk greater instability, but a residual presence mitigates this.
- *Iranian Influence:* Slight negative. Radical decentralization and reduced force presence invite greater interference.
- *Single State:* Negative. Though technically a single state would be maintained, it might be radically decentralized.

This approach requires less than the current policy in terms of financial, political and military commitment. However, it leaves the U.S. with less control over the situation, and depends for its success on the will of the various Iraqi factions to stick to their commitments. It could lead to greater instability, but leaves the U.S. with a capacity to intervene if its vital interests are threatened.

Unconditional, Near-Total Reduction of Military Commitment:

- *Platform for Terrorism:* Negative. The U.S. is less able to act against terrorists in Iraq with no force presence there. This is partially mitigated by the lack of the U.S. presence as a spur to extremism plus a strengthened external military presence designed for containment.
- *Restore capacity and credibility:* Mixed. Reduces financial and human cost, facilitates restoration of U.S. military capacity, frees up U.S. diplomatic and other resources for other issues and eliminates international grievance against the U.S. On the negative side, the perception of U.S. defeat is highly likely.
- *Regional Stability:* It could go either way. If the Iraqi state fails and massive conflict ensues, this policy has a major negative effect on regional stability. If no major regional conflagration occurs and the Iraqi state holds, withdrawal would help regional stability by removing a source of friction and a target for terrorists.
- *Iranian Influence:* Negative. Iran has a freer hand to act in Iraq without U.S. opposition. However, this policy frees the U.S. to strike Iran without the risk of retaliation against U.S. forces in Iraq.
- *Single State:* Difficult to predict. This policy leaves political development entirely in the hands of the Iraqis. The absence of U.S. forces may facilitate Iraqi reconciliation and make a united Iraq more likely, or it may lead to a break up.

This policy risks a complete failure of the Iraqi state, massive chaos and even genocide. Should genocide occur, advocates of this policy believe the U.S. would have to intervene to stop it. The credibility the U.S. will generate with the international community by withdrawing from Iraq may increase the likelihood that others would assist in this effort. This policy also requires that the neighboring states accept an increased U.S. military presence and not interfere in the U.S. withdrawal.

Iraq's Neighbors

All three options for U.S. policy in Iraq would have improved chances for success if Iraq's neighbors would cooperate. In recent months, there appear to have been modest improvements in the behavior of both Syria and Iran: the U.S. military seems to think that fewer insurgents are being allowed to infiltrate from Syria, and the number of attacks on Coalition forces attributable to Iranian-origin weapons had apparently declined, at least until the Iraqi government operation against JAM in Basra and the JAM's response against the Green Zone in Baghdad. At the same time, a major Turkish incursion into Kurdistan against Kurdish guerrillas with tacit U.S. approval has unsettled the Kurds, while causing little concern among Iraq's Arabs.

It is important that the U.S. continue to engage with all of Iraq's neighbors, in particular Iran and Saudi Arabia. To date, the efforts in this regard appear to have been sporadic and less than wholehearted. The U.S. needs sharper focus on what it wants from Iran and Saudi Arabia and

what leverage it has with them. There simply is no way to stabilize Iraq without a minimum of cooperation from Iran, whose long and largely open border with Iraq presents multitudinous opportunities for Iranian influence, as do the cultural affinities between Iran and Shiite Iraq. Saudi Arabia has shown a friendlier face to Iraq in recent months, but it continues to hesitate in establishing substantial diplomatic relations and in settling bilateral debt issues.

Questions for General David Petraeus and Ambassador Ryan Crocker

General Petraeus and Ambassador Crocker are expected to testify in Congress soon. The American people will expect them to clarify where things stand in Iraq as well as the options moving forward. No one wants a disastrous outcome in Iraq, but at the same time an indefinite commitment is too much to ask. Congressional questioning should seek to clarify how long U.S. troops will be needed, when further drawdowns might be possible, and how we can promote longer-term stability in Iraq.

1) The recent Iraqi government operation against the Mahdi Army in Basra has ended in a stand-down. *What did this operation tell us about the capabilities and loyalties of Iraqi Security Forces? About Iranian influence? About the intentions and capabilities of the Mahdi Army?*

2) As the U.S. draws down to pre-surge levels, the Mahdi Army could return to fighting the ISF. *To what degree are the relatively improved behavior of Muqtada al-Sadr and the Mahdi Army tied to the surge*? *Can we expect a serious effort to demobilize the Mahdi Army? Why is Muqtada al-Sadr taking steps to professionalize his militia if he does not intend to use it?*

3) Iraq's central government appears weak, and breakdown seems a real possibility in the event of a U.S. troop withdrawal. *To what degree is effective Iraqi central government authority actually spreading out from the Green Zone to the local level*? *What would happen if the U.S. set a realistic schedule for withdrawal? When can we expect Iraqi security forces to take over responsibility for security throughout the country? Is it wise to continue to try to strengthen the central government, or should we focus more on local governance?*

4) There has been some progress on legislative benchmarks, but at the same time there is doubt about implementation. *Does the progress the Iraqi government has made toward the legislative benchmarks indicate lasting reconciliation? What will be the practical effect of the amnesty and de-Ba'athification laws? Can provincial elections be held by October 1? How can violence be prevented during the electoral process?*

5) U.S. leverage over the Iraqi government appears to be declining. *What leverage does the U.S. have left and how can it be increased? Would it focus Iraqi minds if the U.S. set a schedule for withdrawal? Would making U.S. assistance conditional on achieving benchmarks help or hinder the process?*

6) There are serious problems in the Iraqi police with units being loyal first to their militias; recent reports indicate that some portions of the Iraqi Army have the same problem. *How concerned should we be about mixed loyalties within the Iraqi Army? As the U.S. draws down to pre-surge levels and reduces its over-watch capability, is there a risk that human rights violations by ISF will rise?*

7) The Awakenings contain many anti-government and anti-occupation elements. *Potentially how dangerous are the Awakenings if they are not integrated into the Iraqi government and political process*? *Do they represent a threat of sectarian violence? Are the steps being taken to integrate them into the ISF adequate?*

8) The question of U.S. bases in Iraq is a sensitive one throughout the region. *Have plans been made and funds requested for transfer of our current bases over to Iraqi authorities? Are there plans for a long-term U.S. military presence in Iraq?*

9) The surge has had some success, but the Administration is still arguing that we need to stay in Iraq. *If the absence of progress means we must increase our forces and progress means we must stay, under what conditions will we be able to withdraw the majority of our combat forces from Iraq*? *With the increasing requirement for troops in Afghanistan, what is the minimum number of troops needed for your mission in Iraq?*

10) Recent signs of progress are welcome. *What further signs of political progress can we realistically expect to see by the end of 2008? In coming months, what would be signs of failure that might require a rethinking of our current strategy?*

11) The U.S. presence in Iraq is often regarded as vital to fighting al-Qaeda, but the main success in doing that seems to have come from the Awakenings. *Is our military presence, as currently structured, vital to defeating al-Qaeda? What are the chances that, following American troop withdrawals, al-Qaeda in Iraq can reconstitute itself and control large areas of the country? Would the Awakenings be able and willing to counter al-Qaeda efforts without a massive U.S. military presence?*

12) The U.S. presence is also often regarded as an important counter-balance to Iranian influence. *What are the chances that, following American troop withdrawals, Iranian-backed militias will grow more aggressive and control the government and/or large areas of the country? Or would U.S. withdrawals lead to fighting among Shiite militias? How do you view the political and security situations in Basra, in particular with regard to Iranian influence?*

13) There appear to be fewer insurgents infiltrating from Syria and fewer attacks using Iranian-origin weapons against U.S. forces, at least until recently. *Are Syria and Iran cooperating more in helping to stabilize Iraq? If so, why? What more could we do to encourage their cooperation? What was Iran's role in the stand-down in Basra?*

14) Relations between Iraq and the Arab countries, particularly the GCC, have been strained. *What is the U.S. doing to improve these relationships? How can we obtain stronger support for Iraq from the Arab world?*

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