

II. BUILDING A NEW IRAQI POLITICAL SYSTEM

Securing Iraq is a necessary condition for success, but it is hardly sufficient. It is not sufficient because the goal of security is merely to make possible Iraq's political and economic reconstitution. That is the principal project of reconstruction. Thus it is vital that the United States help develop a new political system that will have the trust of all Iraqis. This new political system must convince Iraqis that there are effective, non-violent means to address their problems; that they will not have to fear that others will use violence against them; that they will have an equal opportunity to pursue a better life for themselves and their families; and that the state has institutions capable of addressing all of their country's needs. This is the foundation of the compact between a people and their government, and which defines the government's legitimacy.

In the specific circumstances of Iraq today, *these* requirements—not how many people turned out to vote in the election—will define the legitimacy of the new government. Any Iraqi government that cannot begin to deliver on them, no matter how many votes it may have won in elections, will be seen as illegitimate by the people. In the most immediate sense, it comes down to whether the new Iraqi government will be able to start improving the lives of the Iraqi people through higher employment, more constant electricity, more readily available clean water and gasoline, and the security that underpins all of these necessities.

Of course, the many missteps of the United States and the various Iraqi governments that followed Saddam's fall have left many Iraqis discouraged, and have opened the door for opponents of reconstruction, like Muqtada as-Sadr and the remnant of the Ba'th party, to propose their own alternatives. They are attempting to demonstrate that they can provide the necessities that Iraqis crave better than the Americans and the new central government can. Thus the risk we face is not just that political reconstruction will fail, but that in failing it will make it possible for chauvinist groups aligned with the insurgency and the militias to gain the support of large sectors of the Iraqi population, likely leading to eventual civil war.

This situation is hardly novel. Historian Richard Clutterbuck noted in his work on counterinsurgencies in Malaya and Vietnam that in Malaya the British realized that the key to the war was maintaining the support of the Malay people, and that this meant providing for them better than the Communists. As Clutterbuck notes of Britain's Lieutenant General Sir Harold Briggs, who authored the famous plan bearing his name:

In his first directive, Briggs put his finger on what this war was really about—a competition in government. He aimed not only to resettle the squatters but to give them a standard of local government and a degree of prosperity that they would not wish to exchange for the barren austerity of life under the

Communists' parallel hierarchy; in other words, to give them something to lose.¹

Of course, America's goals in Iraq must extend beyond merely defeating the insurgents as the British did in Malaya, we must also stave off the risk of full-scale governmental collapse by creating a new political system that is capable of holding the country together without massive external assistance. However, the goal is ultimately the same: we and our Iraqi allies have failed to deliver on the promises of good government and prosperity, leaving Iraqis angry and open to the siren-song of fringe elements that can deliver on at least some basic necessities, and so are beating us in the competition for hearts and minds.

Of course, the failure to deliver on basic necessities is only one manifestation of the various problems besetting the Iraqi body politic. There are many others. However, for the sake of prioritization, and because this list is not intended to be comprehensive but rather to focus on what is most important (and how to address it), it is worth concentrating on four key problems in the realm of politics.

First, Iraq is now a deeply divided society and those divisions are creating animosity, fueling the violence, and preventing the efficient functioning of the Iraqi government. There were always divisions in Iraq, and it was always the case that after Saddam's fall the sectarian extremists were going to be the best organized and most willing to use violence, thereby giving them advantages. However, the United States exacerbated these problems by employing explicit quotas for the different denominations, allowing identity to become the dominant force in politics early on, and reaching out to many of the worst of the sectarian groups to serve in the new occupation-sponsored authorities. *Consequently, sectarian divisions have become far more prevalent and entrenched than they were in the past, and in the absence of a general program of national reconciliation or a broader power-sharing arrangement, they are*

tearing apart Iraq's large, peaceful, and integrated center—including allowing foreign Salafi Jihadists to turn the violent resistance of Iraq's minority Sunni community into a fairly deadly insurgency. Moreover, they have so far precluded the adoption of a workable constitution that might allow the Iraqi government to begin to address some of the country's many problems.

Second, Iraq's central government is now fully-constituted but essentially powerless. It lacks the resources or the governmental institutions to tackle any of the challenges facing the country without massive external assistance. Iraq's ministries are understaffed and eviscerated by endemic corruption of a kind that Iraqis believe compares unfavorably even with Saddam's despicable regime. Corruption has diverted much of Iraq's oil revenue from reconstruction to the bank accounts of government officials and their friends in organized crime. Iraq's local governments, originally founded by the U.S.-led Coalition in the immediate aftermath of the fall of Baghdad—and a critical element in a proper bottom-up approach to reconstruction—have largely been cut-off and neglected. The failings of Iraq's ministries have hamstrung the development of new military capabilities, reduced the amount of funding available, prevented the development of careful plans for reconstruction, and frightened investment capital out of the country.

Third, Iraq's political parties have only tenuous connections to the Iraqi people and mostly limit their interaction with their nominal constituents. This too is a product of American mistakes in the wake of the fall of Baghdad. By bringing to office political exiles and extremist groups neither of which truly represented the will of the Iraqi people (and in many cases were unknown to them), we created a political élite that did not come to power via a popular mandate and were, in fact, threatened by true leaders emerging from the people. As a result, Iraq's current leaders have mostly spent their time haggling over the division of power within the government and snuffing out any

1 Clutterbuck, op.cit, p. 57.

legitimate efforts by charismatic figures to organize new political movements that would genuinely represent the will of the Iraqi people. This disconnect has helped hinder the provision of basic necessities to the Iraqi people, warped Iraq's decision-making, and soured many Iraqis towards their own leadership.

Fourth, the United States, the principal occupying power and the driving force behind reconstruction lacks the personnel, the capabilities, the know-how, and even some of the resources to rebuild the Iraqi nation. Nevertheless, the Bush Administration's policy choices have effectively prevented the United Nations from playing a greater role in Iraq. That, as well as the security threats in Iraq, has also kept many Non-Governmental Organizations (NGOs) from participating in this effort. This is highly problematic because UN agencies and NGOs possess valuable skills and capabilities needed for nation-building.

POLITICAL REFORM IN IRAQ: A STRATEGIC VIEW

In the military and security realm, the United States developed a coherent strategy for tackling the problems of Iraq but, unfortunately, it has proven to be inappropriate. In the case of the political reconstruction of Iraq, the problem has been even more basic: the United States never developed a coherent political strategy capable of addressing the four basic challenges listed above. To a considerable extent, the failure of political reconstruction stems from the mistaken American prewar assumptions that nation-building would not be necessary in Iraq, which meant that no coherent plan for political reconstruction was available to guide the process from the beginning.

As a result, U.S. efforts have been disconnected, disjointed, scattershot, and have failed to accomplish even their highest priorities. *This is why the Administration is wrong to tout the elections that have been held in Iraq as constituting meaningful political progress. To date, none of the Iraqi governments born of these elections has been able to address any of Iraq's deep-seated problems.*

If the new Iraqi government, which is supposed to be the final product, is to do a better job in meeting these challenges than its predecessor governments, both the United States and the Iraqis are going to have to make a number of major changes.

This then must be the starting point for such a strategy for political reform in Iraq. However, there are several other critical considerations that must be considered. First, there is the increasing fragility of Iraqi public opinion and the threat that if Iraqis do not see their new government providing a material improvement in their daily circumstances—especially in those areas that matter most to them, unemployment, electricity, gasoline, clean water, sanitation, and security—they may begin to defect to the insurgents and militias in much larger numbers. (Most Iraqis probably would not cast their lot with the insurgents or militias in the belief that doing so would enhance reconstruction, but because it would be their only viable economic option or because the fear of imminent attack by rival groups pushed them to join in self-defense).

The second circumstance that must be factored into a strategy for political reform is the need to move to a revised military strategy employing traditional counterinsurgency methods. Such strategies demand the complete meshing of political, economic, and military activities at every level. In addition, it means that security and economic life will revive and progress very unevenly across the country with those areas where pacification is being applied seeing rapid progress and other areas experiencing less progress, or possibly even regressing because of a diminution of the security presence there.

Conceived broadly, a new approach to political reform in Iraq should consist of six interlocking processes.

1. National reconciliation. This is the one aspect of political reform where the U.S. government cannot be faulted for a lack of effort or creativity. That effort must be maintained. What needs to change, however, is the context in which national reconciliation and

power-sharing talks are framed. It is hard to see what more the United States could do within this process; what we can change are other factors outside it but which impinge upon it because they shape the perspective of the various actors in terms of the costs, risks, and benefits of cutting a realistic deal.

2. Decentralizing power. Because Iraq's political leaders are consumed with their discussions over power-sharing, because many of them often care little about their constituents, and because Iraq's ministries are virtually powerless, it is critical to shift authority and resources away from the sinkhole of Baghdad and out to local governments that might be able to start delivering on the basic necessities Iraqis crave.

3. Building central state capacity. Decentralization can only ever be part of the solution. Ultimately, no matter how federalized Iraq becomes, only a central government will be able to handle certain key services—such as national security, foreign policy, and the direction of the nationwide oil system. Consequently, the United States must simultaneously help build the capacity of Iraqi governmental institutions, in particular by developing a comprehensive program to fight the corruption that is the single greatest factor crippling the central government.

4. Reforming Iraqi politics and political parties. Iraqi politicians have only ever known corrupt, predatory, and “winner-takes-all” politics. It is little surprise, therefore, that they are behaving in such a manner. Recognizing the dysfunctional norms with which the reconstruction period began should underscore even more boldly the need to create extensive oversight and institutions that enforce strong accountability. Iraqi institutions need to be structured so that they are continually oriented in the direction of the public good.

As noted above, there are two basic problems with the nature of Iraqi politics at present: Iraq's political

élite is not terribly interested in the problems of the larger population, and the unhappiness of the masses adds an important edge to élite squabbles over power and wealth. Because most Iraqis are unhappy with their current lot, they encourage their political leaders to fight for more—thinking that this will ultimately trickle down to improve their lives. Of course, the leaders themselves do not need much encouragement to fight this battle, but being able to say that their people support them is very useful. Thus, the unhappiness of the people is an excuse that the political élites can use to justify pressing for unreasonable demands. To combat this, *Iraqi politicians need to have stronger incentives to be responsive to their constituents' priorities. This will help force them to spend more time providing basic necessities and less time scrapping among themselves.* To the extent that the Iraqi people are happier, this too should diminish the ability of the political leadership to rouse them to support extreme positions. Similarly, Iraqi political leaders need to see clear incentives for forging cross-ethnic and cross-sect coalitions. *Iraqi politics needs to shift from being identity-driven to being issues-driven,* which will allow a loosening of the deadlock among the current parties by introducing a new range of issues that could forge novel alliances and break up old, identity-based ones. Finally, fostering the emergence of new parties that truly represent the Iraqi people and are concerned about issues, not identity, can reinforce all of the above trends.

5. Revising Iraq's oil distribution systems. Iraq's oil can be a blessing or a curse. At present, it is mostly a curse because it simply fuels the vicious infighting among political élites who often are merely looking for a bigger (illegal) cut of Iraq's oil revenue. Iraq's oil revenue must be turned into a blessing by using it to create incentives related to the political reforms listed above: forcing Iraqi politicians to care about and be answerable to their constituents; allowing for the decentralization of power beyond Baghdad; and easing the process of national reconciliation by removing oil as an issue to be fought over.

6. Bringing in additional international assistance.

While this would always have been a positive, its importance has increased dramatically thanks to the failures of the past two-and-a-half years. The UN, NGOs and foreign governments have critical personnel and know-how to help build Iraqi political institutions and thus create more capable local and central government functions. Similarly, international organizations have highly relevant experience building political parties and guiding political processes toward becoming more transparent, accountable, and representative. Finally, as is now apparent, *the United States is increasingly wearing out its welcome in Iraq, and shifting to a more international approach would likely allow us to prolong the process of externally-assisted reconstruction longer than will a continuing U.S.-dominated approach.*

The Bush Administration will no doubt suggest that it has been pursuing some of these objectives already. There is certainly some truth to this claim; however, many of the specific efforts to achieve some of these objectives have left much to be desired, and there has been no effort to integrate these various efforts and guide them toward the implementation of a larger strategy. American implementation has been extremely uneven, demonstrating a lack of understanding at the highest levels as to how these various processes must work in unison if they are to have any chance of sparking real changes to the nascent Iraqi political system.

Caveat Number One: The Changed Political Environment. None of this would have been easy even if it had been planned for before the invasion and properly implemented afterwards. Unfortunately though, current conditions in Iraq are likely to make it that much harder to implement. Specifically, the December 15, 2005 elections have produced a new Iraqi government that is supposed to be fully sovereign, permanent, and capable of running the country alone. In truth, it is none of these—the last least of all. However, the reality may be less important than the perception. Many of the changes proposed below are

going to be painful for Iraq and even more so for Iraq's current political élite, which of course is both the product, and partial cause, of so many of the problems that must be solved. Moreover, the repeated failings and mistakes of the United States have considerably eroded Iraqi good will toward their liberators. All of which suggests that *U.S. representatives in Baghdad will face a very tough fight in having these changes (or any far-reaching reforms) adopted by the new government.*

This is an important consideration to bear in mind. Steering the development of Iraq's political system is likely to grow more and more difficult for the United States. This is particularly true if the United States follows the various recommendations contained in this report. Reforming Iraqi politics so that they provide the necessary framework for Iraqi security, stability and prosperity will mean taking a number of actions that will threaten the interests of many of Iraq's current powerbrokers—and they are likely to fight these U.S. initiatives. The further the United States is willing to push Iraq in positive directions, the harder the militia leaders, insurgents, crime bosses, religious fundamentalists, and corrupt politicians will push back.

Of course, the United States will not be powerless, especially not as long as there are upwards of 100,000 American troops in the country and Washington is providing billions of dollars in reconstruction aid. But the fight will be a hard one, even for someone who has proven as skillful as U.S. Ambassador Zalmay Khalilzad in directing this process. The United States will have to start treating Iraq as a sovereign, foreign government, threatening to withhold aid, or take other steps that the Iraqis dislike, to coax them to do the right things. Moreover, it may require frequent public remonstrations by Ambassador Khalilzad, Secretary Rice or even the White House, to expose which Iraqis are opposing measures that are for the best of the Iraqi nation as a whole. In general, it will require a far more sophisticated and nuanced approach to handling Iraq than we have needed in the past.

Caveat Number Two: Short-Term Expediency vs. The Long-Term Good. While critics like to mock the Bush Administration's grandiose visions of a utopian new Iraq, since the fall of Baghdad nearly all of America's mistakes have come not from reaching for the stars, but from a mistaken overemphasis on what was expedient. It is certainly the case that the Bush Administration badly misunderstood Iraqi society and what would be necessary to rebuild its political (and economic and military) systems after the fall of Saddam Hussein's regime. Unfortunately, the Administration compounded this original sin with a number of mistakes born of the opposite inclination—to find workable, short-term solutions that would create some degree of immediate stability in which to work out longer-term solutions. However, those short-term solutions have created countless problems of their own and have thus far succeeded in making it impossible to develop (let alone implement) the kinds of changes that would be necessary to create good government for the long-term.

For instance, in the summer of 2003, when it became evident that the United States had created a security vacuum and lacked the troops (or the orders) to properly fill it, the Administration imprudently rushed the creation of an Iraqi Governing Council (IGC) to quickly put an Iraqi face on reconstruction to deflect criticism away from the United States, bring in Iraqis who might know more about how to run the country than American bureaucrats, and delegitimize the fledgling insurgency. Although there should have been an Iraqi component to the U.S. occupation from the start, the creation of the IGC suffered from the hastiness of its organization. The Administration filled the IGC with the Iraqis it knew—exiled politicians (some of whom were well-meaning) without any constituencies in Iraq and Shi'i chauvinists who represented (in

many cases) the worst aspirations of their community.² We have been paying for this mistake ever since. It is no surprise that these groups have spent most of their time squabbling over the division of power (and spoils) in Baghdad, pay little attention to what is happening outside the Green Zone, have proven in many cases to be corrupt, and work relentlessly to prevent the emergence of more legitimate, representative and moderate leaders around the country. It is perhaps fitting that the only solution that many can now suggest to this problem is to bring in equally dangerous Sunni chauvinists to try to balance things out.

Today, a certain degree of expediency is absolutely essential, in large measure because Iraqi public opinion towards reconstruction has become fragile and therefore it is critical that the central government (and the Americans) be seen to deliver on their major concerns this year. Nevertheless, *we must do a much better job balancing short-term versus long-term needs.* Emphasizing short-term needs has not served us well so far. Most of the problems that this chapter discusses arose from earlier decisions based on expediency. Solving them will require undertaking a series of reforms that will be much more difficult, and require a much greater emphasis on what is best for Iraq over the long-term. Of necessity, they will require longer periods of time to make their impact felt, thus there is both a need, and an opportunity, to embark on broader programs of political reform to bring Iraq out of the doldrums into which it has drifted. Fareed Yasseen has wisely observed that the initial mistakes of the United States were to base decisions principally on general practices of management and governance without regard for the specifics of Iraq; since then, because these initial measures failed, the United States has swung in the opposite direction of treating Iraq almost entirely based on what seemed to work within its own dynamics. What is really needed is

² Again, the Kurds should be mostly exempted from this list. Although there certainly are problems with the Patriotic Union of Kurdistan (PUK) and the Kurdistan Democratic Party (KDP), they cannot be lumped together with either the exiles or the Shi'i chauvinists who still largely dominate Iraq's political leadership. Unhappiness over corruption and the slow pace of true democratization aside, the vast majority of Kurds accept Massoud Barzani and Jalal Talabani as their principal leaders. Thus the Kurdish leaders had precisely the kind of political support among their communities that the others largely lacked, especially at the time of the creation of the IGC. Indeed, even in the case of SCIRI, most Shi'ah voted for them because they were well known, not necessarily well-beloved. Moreover, the Kurdish leaders have shown a willingness to fight for what is best for their constituencies (and for Iraq) that is often absent among most other Iraqi political figures.

a proper balance of the two—general practices of good governance, tailored to Iraq’s specific circumstances.

POWER SHARING AND NATIONAL RECONCILIATION

Iraq’s political problems start with the many differences among, and within, its different communities and the paralysis this has injected into the process of creating a new Iraqi political system. Like security, some form of national reconciliation coupled with a new power-sharing arrangement is a necessary precondition for any progress in Iraq. As Raad Alkadiri has repeatedly warned, like security, national reconciliation will not solve all Iraq’s problems, but the absence of national reconciliation will make it impossible to solve any of Iraq’s problems.

Iraq’s power brokers have so far defied two-and-a-half years of efforts by Iraqis, Americans, and international representatives to forge a new political compact among them. Thus, while it is true that this is one area where the Bush Administration has made an effort commensurate with the importance of the issue—and Ambassador Khalilzad has demonstrated that he is a master of precisely this sort of political maneuvering—it is still the case that the United States is far from having achieved its objectives.

Iraq has no Nelson Mandela or Vaclav Havel—a figure so universally admired that he could become a unifying force and help the various factions to make compromises. Ayatollah Ali Al-Sistani, for all his stature and well-meaning efforts, is not such a figure. While he is probably the only figure who can transcend the differences among the various Shi’i groups, he cannot do so for the Sunni Arabs, the Kurds, or Iraq’s other minorities. Consequently, it would be foolish to go fishing for such a personage, as some commentators have suggested. Unfortunately, the United States is going to have to find another solution to the current impasse.

Typically, there are two ways to deal with difficult negotiations. The first is to find a solution within the negotiations by convincing one side or the other to make a salient concession and then using that to squeeze a corresponding concession out of the other side. That is the approach the United States has tried so far and it has borne some fruit, but it has not succeeded in producing the kind of national accord on power-sharing that is needed. The other method is to try to change the position of the parties themselves by changing the external context in which they are negotiating. *This is where the United States now needs to make a much greater effort.* Given current circumstances, none of the parties in Iraq appears willing to budge on its bottom line—and these bottom lines appear to be mutually incompatible. The key, therefore, is to change the circumstances for each of the parties to make them willing to accept less than the maximal positions they have so far clung to. In every case, the parties have been unwilling to budge from their positions because they fear that their situation will worsen dramatically by doing so. The best way to break this logjam is to make them less fearful and find other ways to meet their demands outside of the power-sharing negotiations.

Bringing the Sunnis back in. The Bush Administration has made its greatest effort in trying to co-opt Iraq’s wayward Sunni Arab community, and their efforts have certainly paid some dividends, most notably in the high Sunni participation in the December 2005 elections and their likely role in the new Iraqi government coalition. However, these accomplishments need to be seen in their proper context. As President Bush correctly observed in November 2005,³ the insurgency is composed of a number of different groups, and while the media (and the military) tend to focus on the most virulent groups—the Salafi Jihadists and the former Ba’thists—the largest and most important group are the Sunni tribals who are participating in the insurgency largely because they were deprived of

3 Speech by President George W. Bush, “President Outlines Strategy for Victory in Iraq,” The White House, November 30, 2005, available at <<http://www.whitehouse.gov/news/releases/2005/11/20051130-2.html>>.

their privileged position by the U.S. invasion, and who fear that the Shi'ah and Kurds (whom they believe the United States is determined to leave in control of the country) will use their position within the Iraqi government to oppress Iraq's Sunni community just as they were oppressed under Saddam's Sunni-dominated regime. In addition, the tribal Sunnis have thus far felt completely shut out of the process of government and deprived of the patronage that they typically received from Baghdad in the past. Over the past two-and-a-half years, they have seen Shi'ah and, to a lesser degree, Kurds running Iraqi ministries very much for their own benefit and that of their families, friends, tribes, etc. The decision by many Sunni leaders to participate in the December 2005 elections stemmed as much from a desire to get control over at least some Iraqi ministries both as a weapon to prevent the Shi'ah and Kurds from oppressing them and as a vehicle for patronage (i.e. graft) so that they can get a piece of Iraq's pie and not allow it to be devoured entirely by the Shi'ah and Kurds. This is far from the progressive realization that violence does not serve the Sunni community's purposes that the Administration would like to portray it as.

At the heart of the matter is the fact that many Sunni Arabs feel alienated from the process of political reconstruction by the Shi'ah, the Americans, and, to a lesser extent, the Kurds. The arbitrary and excessive U.S. edicts regarding de-Ba'thification; placing the de-Ba'thification program in the hands of Ahmed Chalabi, who has reportedly used it in arbitrary fashion to advance his own interests; and the sudden disbanding of the army and the security services, all struck deeply at tribal Sunnis. These measures had their greatest impact upon the officers and senior bureaucrats of the old regime, who were generally important members of Sunni tribes. They once had dignity, power, wealth, and patronage—and were suddenly stripped of all that. Not surprisingly, many went home and either joined the insurgency or encouraged their sons and nephews to do so. In addition to humiliating many once-powerful Sunni officers, the disbanding of Iraq's army and security services also put a

lot of lower-class Sunni tribesmen out of work. Although the Shi'ah dominated the rank and file of the Iraqi Army, Sunni tribesmen dominated the lower rungs of the Republican Guard and the internal security forces, and these men are now unemployed and easy recruits for the insurgents. What's more, after forcing the tribal Sunnis out of the old government, the United States largely excluded them from the new one. There was only one Sunni tribesman on the IGC, and he was not well respected among his peers. Moreover, the tribal shaykhs formerly depended upon power and payments from Baghdad, which have not been forthcoming from the United States.

Regardless of these grievances, the Sunnis are going to have to make some major concessions to reality if Iraq is to have a workable power-sharing arrangement. The Sunnis are going to have to accept that they are not the majority (as many passionately insist), and that the Shi'ah are. They are going to have to accept that they will only get to enjoy a portion of Iraq's resources proportionate to their numbers, and will not enjoy the excessive rewards they received under Saddam's tyranny. They are going to have to compete for jobs in Iraq's security forces and civil service on an equal footing with everyone else, and without the privileged positions they occupied under Saddam. They are going to have to turn in the worst of the insurgents—including the foreign-born Salafi Jihadists and unreconstructed Saddamists—and agree to help the government and the Coalition against any Sunnis who continue to reject reconstruction even after a National Reconciliation accord has been signed. They are going to have to make a host of other adjustments to life in a democracy that they have so far been unwilling to make.

In return, there are a number of concessions that Iraq's Shi'ah and Kurdish communities should be willing to accept to assuage some of the fears of the Sunni community and thereby make it easier for them to soften their position in the negotiations:

- *A revised program of de-Ba'thification.* This is probably the most significant and certainly the most

obvious grievance of the Sunni community. Huge numbers of Sunnis, especially tribal Sunnis from western Iraq, from where Saddam drew his power, were Ba'th party members of one sort or another. While many were brutal thugs with blood on their hands, many more were just ambitious men and women who saw party membership as nothing but a chance to make a better life for themselves and their families. The United States began these problems by declaring that all party members who had achieved the top four ranks of the party hierarchy were disqualified from service in the public sector. Although, this was a perfectly reasonable step to take, the CPA failed to take the next logical step of declaring that no one below those four ranks would be deprived of work or otherwise prosecuted. To make matters worse, the United States handed the de-Ba'thification portfolio to Ahmed Chalabi, who numerous Iraqis claim employed it to eliminate rivals and marginalize leading Sunnis. Together, this pattern of behavior led to numerous other instances of "private" de-Ba'thification, both in terms of citizens barring Sunnis or former party members from working or taking part in various social activities, or in extreme cases murdering those held responsible for crimes committed under the former regime.

While some of this was probably inevitable, it has gone too far and is now a primary source of the alienation, anger and fear among tribal Sunnis, which in turn feeds their support of the insurgency. *The new government must begin a dramatic overhaul of the de-Ba'thification process, starting by placing it in the hands of a committee of respected, well-regarded judges, lawyers, and human rights experts, preferably with the participation of foreigners from neutral countries or human rights NGOs to ensure that a new system is respectful of the victims of Saddam's oppression, fair to Iraq's Sunni community, and is not manipulated for private aims.*

- *A formal truth and reconciliation process.* Another matter closely related to de-Ba'thification is the

failings of Iraq's efforts to deal with those guilty of heinous crimes under Saddam's regime and to reconcile the rest of the country. Most Iraqi Sunnis understand that there must be a process for bringing the guiltiest to justice for crimes they committed under Saddam's regime, and that this burden will fall overwhelmingly on their community. What is unnecessarily exasperating is the opacity and arbitrariness of the process so far. The Sunnis need a clearer sense of who will be held accountable and when the process will end so that they can stop holding their breath in fear that they or someone close to them will suddenly be arrested. It is a reasonable request, one that would probably benefit the Shi'ah as well, as the Shi'ah are also looking for a sense of what kind of justice they will receive from this process and how soon they will get it. Once a process for trying those guilty of egregious crimes has been reformed accordingly and a parallel process to reconcile the victims of Saddam's reign with those who only marginally abetted his crimes, much of the country may be able to start moving on to other business. Truth and reconciliation processes inevitably take long periods of time, so the goal cannot be to have such a process inaugurated and wrapped up quickly but, as Joseph Siegle suggests, to simply send "a clear signal as to what types of crimes will be prosecuted and that the process is being undertaken in a competent and just manner."

- *An amnesty program for insurgents.* Although it seems hard to countenance now, it will be necessary at some point to offer an amnesty to all those who participated in the insurgency to try to bring them back into the political process. Just as Israel negotiated with the PLO, and the British eventually chose to negotiate with the IRA, so too are Americans and Iraqis going to have to find ways to negotiate with and then live peacefully with the current crop of insurgents, and an amnesty that effectively says "the past is forgotten" is the only way to do so. Of course, this amnesty program should only be undertaken as part of a larger process of national reconciliation

and, preferably, in conjunction with a major shift in military strategy toward a traditional counterinsurgency approach.

- *Reintegration of Sunnis into the armed forces and civil service.* Not unexpectedly, Sunnis have largely been excluded from the military and civilian bureaucracy.⁴ In many cases, the fact that they were Ba'th party members has been used to justify wholesale purges in another example of how de-Ba'thification has been taken too far. Although it will be unappealing to many Shi'ah and Kurds because of the way that many Sunnis abused their positions under Saddam and participated in his many crimes against humanity, there is no alternative other than to allow most Sunnis back in to public life, at least to the extent they want it. Although it would be preferable to bring in younger Sunnis who were not Ba'th party members under Saddam, true National Reconciliation is going to require allowing some former party members—principally those who joined only to get ahead—to resume their places in Iraqi society. Iraq's public sector simply cannot be entirely closed off to an important segment of the population.
- *Job retraining.* As part of the amnesty program, former insurgents motivated by their dire financial status are going to need to receive immediate job training or other educational benefits, and possibly even assistance finding a job, so that they can expect to have a better life in the future. Again, this will be galling for many Shi'ah (especially if they are still plagued by unemployment when this program goes into effect) but numerous historical examples demonstrate that this is key to making an amnesty program effective in convincing a potentially sizeable component of the insurgents to give up the fight.
- *Oil distribution based primarily on population.* The Sunni population is going to have to be guaranteed that it will receive its fair share of Iraq's oil revenues. This means that the current provision in the consti-

tution suggesting that the localities in which the oil is pumped will receive some additional consideration must be reduced to the absolute minimum. This also requires a national program for the distribution of Iraqi oil revenues. (Such a system is described below.)

- *Protection for minorities.* Even more than the Kurds, Iraq's Sunni Arabs will need stronger guarantees than the constitution currently provides that they will not be oppressed as Saddam once oppressed the Shi'ah and Kurds. Iraq needs a more redundant system of checks and balances, such as making it necessary for a super-majority in parliament to authorize the armed forces to take action against any internal threat. Putting the local police forces under the jurisdiction of local officials and creating a new gendarmerie under the Ministry of Interior (MOI, to balance the armed forces under the Ministry of Defense) would be another helpful measure. *Iraq also needs a more stringent application of the rule of law across the country* so that every person can feel secure that he or she will not be subject to arbitrary violence either from private groups or from a government that runs amok. Along similar lines, *Iraq's judicial system must be reformed to the point where the average person can seek redress for grievances through the courts, including grievances against the government itself.* (All of these measures are described in greater length below). *These measures should be accompanied by an ongoing public relations campaign that helps articulate and strengthen norms for minority rights.*
- *Electoral laws that prevent true chauvinists from running.* As part of protecting minorities, Iraq might consider revising its election laws such that candidates for national office must not only win a majority of the vote, but also must win a certain percentage of the votes of every segment of society. This would ensure that major political figures are at least minimally acceptable to all groups, including

4 See for instance Richard A. Opiel, Jr, "Iraq Vote Shows Sunnis are Few in New Military," *The New York Times*, December 27, 2005.

minorities, and tends to promote figures who unite, not divide.

- *Help the Sunnis develop new political institutions.* For the Sunnis this need may actually be even more pressing than it is for the rest of the country. The Kurds have their two great parties. For the present, the Shi'ah at least have Ayatollah Ali Al-Sistani and the Hawza of Najaf—although these too are imperfect vehicles for expressing their true political aspirations. But the Sunnis have nothing. Their principle political institution was the Ba'th party and it has been proscribed, along with all of its senior members. Consequently, the United States is going to have to help them create new, progressive political institutions that will allow their voices to be heard. Even in these, the Sunni tribesman cannot predominate, and should have no more political power than their demographic weight, but they cannot be excluded entirely as they effectively have been so far. As Daniel Byman has warned, if the United States and the new Iraqi government do not help them create new political institutions, it is likely to be that they will flock to various Islamist movements as their only alternative.
- *Conduct a census.* To reiterate a point made in Chapter 1 in a different context, Iraq needs a new, accurate census. In the Middle East, knowledge has frequently been sacrificed to politics, most notably in Lebanon with the decision not to conduct a census for fear that such knowledge would upset the compromises worked out among the political élites. This cannot be allowed to happen in Iraq, and so a first census as part of a regular process of census taking, should be conducted as soon as possible. In addition, it is important to national reconciliation because a census will establish the actual population and its composition—religious, ethnic, and geographic. (The inevitable charges of fraud can easily be dispelled if proper procedures are followed, and perhaps even handled by an international organization). This will put to rest Sunni claims that they are the majority, and ensure that Iraq's parliamentary seats and oil revenues are distributed fairly.

- As described in Chapter 1, *offer to provide Sunni tribal shaykhs with resources if they will “assist with security”—i.e. stop attacking the roads, power lines, oil pipelines, and Coalition forces in their territory and prevent other groups from doing the same.* These payments do not necessarily have to be cold cash, like Saddam's, but Baghdad and Washington need to find ways to provide resources that will give the tribal shaykhs and their people an incentive to cooperate with us. This can come in the form of goods, construction equipment or project funding, or even the projects themselves. *It can come by “deputizing” tribal military leaders, enlisting their personnel in an Iraqi security force and then paying them for their service.* (Since we have done far worse by allowing the MOI to bring whole units of the Badr Organization into the Iraqi police, this is a rather minor concession in comparison). The key is to start meeting with the shaykhs and convincing them that if they cooperate, there will be resources and other benefits for them and their followers.
- *Begin a process of education among Sunni tribesmen (indeed, all across Iraq) that will make them understand the nature of the new Iraq and their role in it.* For instance, they need to understand that in a system where the rule of law prevails they will not have to fear being oppressed by the Shi'ah. Similarly, they need to be persuaded that while they will no longer enjoy the privileged position they had under Saddam, and so will no longer be relatively better off than the rest of the country, if reconstruction succeeds, Iraq will be so much more prosperous than it was under Saddam that, in absolute terms, they will be much better off.

Reining in the Shi'ah. The problems with the Shi'ah, naturally, are mostly the opposite of those with the Sunnis. The Shi'ah feel empowered and, in some ways, too empowered. They are now finally in control of Iraq and, unfortunately, it has gone to some of their heads. It is the Shi'ah who are responsible for many of the problems that the Sunnis now face. Again, this is perfectly understandable given what the Shi'ah went

through at the hands of Saddam's regime, but it is not helpful to the future of Iraq.

Obviously, all of this behavior on the part of the Shi'ah needs to be removed or at least reined in to make the Sunnis feel comfortable enough to engage in a process of national reconciliation. However, there are a set of other problems as well. First, there are a number of problems related to natural tendencies to create a dictatorship of the majority. The best example of this lies in the realm of the mixing of religion and politics. Many of the Shi'i leaders are far more religious either than their own constituents or the Iraqi population as a whole, and they have shown a willingness to use their majority in parliament to push for laws favoring Islam and religion in politics in ways that other Iraqis (Sunni Arab, Kurd, and secular Shi'ah) have disliked.

Second, although many Shi'ah do share broad agreement on a range of issues, there are deep divisions among them that also hinder national reconciliation. Americans tend to talk of "the Shi'ah" as if they were a monolithic bloc (we make the same mistakes about "the Sunnis" and "the Kurds" as well, but the sin is particularly egregious among the Shi'ah, whose differences are often the most pronounced). There are large numbers of secular Shi'ah who do not care for SCIRI, Dawa, and the Sadrists whom they (rightly) regard as religious fundamentalists of one kind or another. Likewise, there are deep divisions even among these parties, with SCIRI staunchly supporting Shi'i regionalism and the Sadrists opposing it just as adamantly. This adds a further set of complications to the mix by making it difficult for the various Shi'ah groups to agree on a common position and acceptable compromises.

The third set of problems derives from the advantageous geographic position of the Shi'ah and the aspirations of some of their new leaders. The Shi'ah dominate southeastern Iraq, with its good agricultural lands; access to the sea, the Gulf states, and Iran; and roughly two-thirds of Iraq's oil production (and probably a larger percentage of its remaining

reserves). These fortunate geographic conditions make it attractive as a statelet of its own, and some Shi'i leaders are beginning to advocate this. Led by 'Abd al-Aziz al-Hakim, the leader of the SCIRI, these Shi'i leaders increasingly talk about the desirability of splitting off all of southeastern Iraq to form an autonomous region of their own, very much like Iraqi Kurdistan. Indeed, provisions for the creation of such a region—with its own security forces and government—have been included in the current version of the constitution. There are many disquieting signs that these leaders fully intend to exercise these powers and split off the south from the rest of the country. They probably also mean to keep the oil revenues from the southern oil fields for themselves, and will expect the Kurds to do the same in the north, leaving the Sunnis with nothing.

This would be a disastrous development for Iraq if it were pursued. It likely would spark two different civil wars in Iraq, the first within the Shi'ah community. Although Hakim appears to believe that he has both the muscle (in the form of the Badr Organization, the largest of the Shi'i militias) and the popular support (SCIRI won overwhelmingly in the 2005 municipal elections everywhere across the southeast, except in Basra), he is almost certainly mistaken. While SCIRI's Badr brigades are probably the strongest of the Shi'i militias, Muqtada as-Sadr's Mahdi Army is a close second and would be a very formidable opponent, as clashes in 2005 in the Najaf-Karbala area demonstrated. Moreover, there are a great many other local militias, some of which are quite strong. With a force of probably only about 25–30,000 men, Badr could not conquer the entire south without a protracted fight. Thus, any bid to control the south would probably cause it to fragment instead.

At the same time, a Shi'i move to create an autonomous zone in the southeast would probably unite the Sunni community and drive them into open warfare with the Shi'ah. The Sunni heartland in western Iraq has nothing of any real worth, and sits in the empty desert, landlocked and distant from any area of economic

value. If only to prevent themselves from becoming an isolated backwater, the Sunnis would fight to keep their share of Iraq's wealth. Moreover, it is a common mistake to think of Iraq's communities as discrete and occupying well-defined geographic enclaves. In fact, precisely the opposite is the case. Nearly one-third of Iraq's population lives in mixed areas. In particular, much of the Shi'ah and Sunni Arab populations live in heavily-integrated areas, making it almost impossible for the Shi'ah to break away from the Sunnis cleanly. If the Shi'ah ever tried to create such an extreme-form of autonomous (let alone independent) region in the southeast, there would be a great deal of territory that would require the spilling of blood to determine who controlled it. So far, the Bush Administration has been able to prevent the Shi'i leaders from moving too far in this direction, and they will have to redouble their efforts in the future, especially if negotiations over the constitution, power-sharing and national reconciliation remain paralyzed.

Although at present the greatest risks from the Shi'ah remain the potential for them to overreach and discard the considerations of the Sunnis, making national reconciliation impossible, it is important to keep in mind that they still have legitimate fears and grievances left over from their traumatic experience under Saddam. Many Shi'ah remain fearful that they are going to be deprived once again of their demographic right to dominate the Iraqi government. Many still do not trust the United States—which did nothing for them in the past, and is the long-time ally of the Sunni states of Saudi Arabia, Kuwait, Jordan, and Turkey. Many fear the Salafi Jihadist groups that have taken root in Iraq's Sunni tribal community and preach worse punishment for the Shi'ah (whom they consider apostates or heretics) than for Westerners (who are merely infidels). And many Shi'ah continue to think in traditional Middle Eastern patronage terms, whereby those who dominate the political system get to apportion the country's economic wealth to their followers. The Shi'ah suffered under such a system for 80 years (arguably longer) and they believe that now is their turn at the trough.

Keeping the Kurds on board. No group has conducted itself as intelligently and conscientiously in recent years as the Kurdish parties, although this is a relative statement. Since the fall of Baghdad, Kurdish political leaders have been Iraq's greatest statesmen. Barham Salih and Hoshyar Zebari (among others) have played arguably the most positive role in inter-Iraqi politics throughout the post-Saddam period. Remarkably for the leaders of a people who make no effort to hide their desire for independence, it is these men and their comrades who have most consistently put the interests of Iraq first. This is not to say that they have not jealously guarded Kurdistan's prerogatives, only that they have been the most willing to argue for actions that are in the best interests of Iraq, and have frequently put the interests of the whole country ahead of those of the Kurds. Indeed, this has caused some considerable intra-Kurdish tension, especially because more and more Kurds favor a prompt declaration of independence as a way of extricating themselves from the morass of Iraq. In January 2005, over 95 percent of Kurdish voters declared themselves in favor of independence for Iraqi Kurdistan in an unofficial referendum. Many Kurds will say in private, "You [the United States] are making a mess in the center and the south. Why would we want to be part of that?" Unfortunately, they have a point.

Nevertheless, the Kurdish leadership has recognized that the time is not propitious for them to declare independence and they therefore must do everything to make Iraq secure and stable. Kurdish leaders understand that unilaterally declaring independence today would leave them with a small, land-locked country amid neighbors who hated them for doing so. Nor would the diminishing production of the Kirkuk oil fields be enough to offset such animosity. Thus, this would not be an advantageous beginning for a new Kurdistan. They also recognize that declaring independence could easily spark either a war with Iraq's Sunnis and Shi'ah (who might unite against them) or a civil war among Iraq's divided Arab communities.

Moreover, Kurdish leaders seem to have a sound appreciation for the dangers that civil war in Iraq would hold for them. While civil war would seem to justify their declaring independence, it would immediately present them with a series of dreadful dilemmas. There are large Kurdish populations in Kirkuk, Baghdad, Mosul, and other multi-ethnic cities of northwest and central Iraq. These would immediately be vulnerable to attack by various Arab groups and would doubtless demand protection from the *pesh-merga*. The question that the Kurds would then face would be whether to mount military campaigns to take over these cities to protect their brethren. If they did, it would mean occupying major pieces of Iraq inhabited by large populations of Arabs, Turkomen, Chaldeans, etc., which would doubtless provoke the ire of Iraq's Arabs, and of those neighboring countries that undoubtedly would become embroiled in a civil war in support of their co-religionists: Iran in support of the Shi'ah; Saudi Arabia, Jordan, Kuwait, and Syria on behalf of the Sunni Arabs; and possibly Turkey on behalf of the Turkomen. On the other hand, if the Kurdish leaders did nothing, they could well be leaving as many as a million Kurds to become the victims of ethnic cleansing. Neither of these courses would be good for the Kurds, and their leaders seem to be trying to avoid having to make such a choice.

Instead, the Kurds have demanded maximum autonomy, which both Sunni and Shi'i Arabs appear to have grudgingly accepted. As Massoud Barzani has put it, the Kurds want "whatever is just below full independence." This is a helpful decision on the part of the Kurds and has meant that their leaders have played a more constructive role than anticipated in trying to solve the many political problems that currently beset Iraq because they too recognize that failure to resolve them peacefully will lead to the civil war they fear.

For the moment, the Kurds seem politically secure and, because the other parties appear to have accepted their demands for autonomy, their position is not the central problem in the effort to hammer out a new power-sharing arrangement. As long as the Kurds do

not decide to push for maximalist demands (immediate secession, full ownership of all revenues from the northern oilfields, or an arbitrary solution to competing property claims in Kirkuk in their favor) the *status quo* on issues related to the Kurds should not preclude finding solutions to Iraq's other political problems.

However, Kurdish concerns about issues such as war crimes and de-Ba'thification do reinforce the Shi'ah position, while their definition of autonomy feeds into questions about the status of militias and oil revenues that exacerbates the negotiations on all of these issues between the Sunnis and the Shi'ah. Thus, it is likely that they too will have to make some concessions. The easiest to convince the Kurds to make are likely to be those regarding the extent of de-Ba'thification and how oil revenues are shared with the community in which the oil is pumped (on this, see the section on the distribution of oil revenues below).

Of course, the Kurds are going to want something for making these compromises. Moreover, Kurdish leaders have another problem they must deal with—a population of their own that does not understand the merits of remaining a part of Iraq (at least for now) and trying to help stabilize it to prevent a civil war. This is where the United States comes back into the picture. Washington has been rather niggardly with its aid to Iraqi Kurdistan in the belief that the Kurds don't need it as much as other parts of Iraq.

This approach on Washington's part is short-sighted and should be reversed. First, while Kurdistan is relatively better off than the rest of the country, it is not rich by any means. Kurdistan has major shortcomings that could be remedied by U.S. aid. Second, denying Kurdistan aid because it is safe and doing modestly well runs counter to good COIN practices, a key principle of which is that reconstruction funding should be devoted to those areas that are the most supportive and secure, both because that is where the money can do the most good and to make other communities desirous of receiving the same treatment and therefore support the "oil stain" of security protection when it

spreads to them. Indeed, taking money away from the Kurds to sink it into the “Sunni Triangle” is a waste of precious resources that could do real good in Kurdistan. Third, *the Kurdish leadership needs to demonstrate to its public that there are real, tangible benefits of remaining a part of Iraq and foreign aid is an obvious benefit.* If the Kurds are consistently deprived of aid, the separatists among them will argue that they would do better by seceding and taking the Kirkuk oil-fields with them. The fact that this will not work out to their advantage is likely to be lost on a people imbued with nationalism and deeply fearful of the quagmire burbling to their south.

National reconciliation and traditional counterinsurgency strategy. As set out in some length in Chapter 1, the “oil stain” approach of a traditional counterinsurgency strategy has a great deal to recommend its adoption in Iraq today. Indeed, it is the only military approach that has any realistic likelihood of succeeding. However, it is hardly a perfect strategy, especially because the circumstances of Iraq have become so difficult that no strategy will be without problems. In this case, the greatest problem with applying an “oil stain” approach to Iraq is that it could exacerbate some of the tensions enumerated above. By pacifying major parts of Iraq and tying the north in better with the south and the center, it should take the edge off of Kurdish popular demands for autonomy. However, it could have the opposite effect in the west and south of the country.

Sunni leaders, especially the most chauvinistic among them, will doubtless claim that the “oil stain” is proof that the Americans, the Shi’ah and the Kurds all intend to exclude them from any share in Iraq’s wealth. This is already a principle fear among many Sunnis, and an improperly drawn “oil stain” could easily add substance to these fears, no matter how inaccurate. It is for this reason that it is vital that the initial “oil stain” include all of Baghdad (with its large Sunni neighborhoods on the west side of the Tigris), and a number of Sunni towns north, west, and/or south of the capital to demonstrate that Sunnis too will reap the benefits of

this strategy, even if most of the Sunni tribal population will have to wait before they do so.

Among the Shi’ah, figures like Hakim might use the exclusion of the Sunni triangle from the initial “oil stain” to advance his own preference for a Shi’ah region with its own security forces and control over the oil revenues of southern Iraq. Indeed, he might embrace such an approach regardless of how much of the southeast were part of the initial “oil stain.” If most were excluded, Hakim and other regionalists could claim that the Shi’ah have to establish their own autonomous region—and use “their” oil resources to pay for security and social services since the central government would not be doing so. On the other hand, if most of the southeast were part of the initial “oil stain”, regionalists could establish regional institutions to address their needs alone, and press for the creation of an autonomous Shi’ah region to protect their gains before the “Sunni Triangle” was brought into the pacified zone. Of course, since many other Shi’ah oppose the idea of a southern autonomous zone, moves to advance this based on opportunities created by the initial application of the “oil stain” strategy could provoke further conflict among various Shi’i groups. Unfortunately, this is probably inevitable and so U.S. officials will have to work hard to prevent either outcome as they pursue the “oil stain” and reconstruction in Iraq in the future.

DECENTRALIZATION

Reducing the power and influence of the Iraqi central government in Baghdad is both inevitable and necessary. It is necessary because Baghdad has become a major obstacle to reconstruction in all aspects. Iraq’s central government is dominated by political leaders many of whose legitimacy, in the sense of actually representing a significant segment of the population, is dubious and who have largely spent their time squabbling over the division of power and spoils, leaving the rest of the country to fend for itself. To make matters worse, they are so jealous of their power and prerogatives that they regularly attempt to prevent

those outside of Baghdad (and especially those outside Baghdad who owe them no allegiance) from exercising authority or getting things done. This is not to suggest that there are not some good Iraqi political leaders trying to do the right thing for their country and their people, only that these are too few in number. Iraq's ministries are crippled by corruption, lack many key personnel, are generally undermanned, and largely remain tied to sclerotic bureaucratic practices inherited from the former regime. Baghdad has always been something of a bottleneck in Iraq, but this was greatly exacerbated during Saddam's regime because he wanted every decision to be referred to Baghdad to preclude the emergence of independent centers of power elsewhere in the country.

The result of all of this is that the Iraqi capital is incapable of doing much for the Iraqi people but still prevents the rest of the country from providing for itself. This state of affairs is intolerable: it is one of the main reasons, along with the persistent security vacuum, that Iraqis do not have the basic necessities they so desperately desire (and deserve). Thus *the overwhelming requirement to begin materially improving the lives of average Iraqis within the next 6–12 months demands that the United States pursue this goal vigorously, both through its own foreign aid efforts and by pressing the Iraqi government to begin a major effort to decentralize power and resources away from Baghdad and out to local governments that may be able to use them more effectively.*⁵

An important part of this process will be building the capacity of local governments so that they can employ the authority and resources to be devolved to them. At present, because they have been so badly neglected, few Iraqi provincial or municipal governments can do so. Thus, this process also demands a major emphasis on capacity building at the local level. This is critical for the development of pluralism and good government in Iraq (both of which grow best from the bottom up),

and in many ways should be easier than dealing with the incapacity of the central government (which cannot be neglected either, see below). Local governments are, by definition, smaller and dealing with the needs of fewer people, which makes them easier to reform. Moreover, it will be much easier to build capacity at the local level than at the national level as part of a traditional counterinsurgency strategy: simply put, the Coalition should focus on building capacity only in those areas that begin as part of the initial “oil stain”, which is far more feasible when considering sub-national governments than when dealing with national-level ministries that are designed and intended to serve the entire country. As the “oil stain” spreads to new regions, the Coalition should in turn set to work reforming local government in those areas as well.

Federalism is another part of this equation. Whether the United States likes it or not, federalism is inevitable in Iraq. It is possible that had we handled the early days of the post-Saddam era differently, we might have moved Iraqis down a path that would have allowed for the re-creation of a more centralized state, but that is impossible today. The Kurds were always uneasy about a centralized system and having seen all of the chaos and violence unleashed by the Shi'ah and Sunni Arabs against each other, they want even less to do with what goes on there. Unfortunately, the same is now true of many (but hardly all) of the Shi'ah, as noted above. A number of Shi'ah leaders have decided that it would be better for the Shi'ah also to preserve a considerable degree of autonomy from Baghdad so that they can live their lives as they see fit without fear of being told otherwise, or the need to get Iraq's other communities to ratify it. The Sunni Arabs are the most uniformly opposed to federalism, largely because they fear that it will leave the Kurds and the Shi'ah with the vast bulk of Iraq's oil resources (which they assume those two groups will attempt to control locally), but also

⁵ Joseph Siegle points to another value of decentralization, which is that it invariably leads to greater experimentation as different localities try different methods of accomplishing a given task, which in turn accelerates learning across the country. This too could only benefit Iraq in its drive to build a new society.

because they are the most ardently devoted to Iraqi nationalism. But even some Sunnis are beginning to approve of federalism in the realization that the new Iraqi government is likely to be dominated by the Shi'ah for many years to come, and they fear that this could mean that they would be oppressed by the Shi'ah just as Saddam's Sunni regime oppressed them.

To the extent possible then, the United States and the new Iraqi government should begin moving toward a federal system in which the central government retains control of the armed forces (but not the police, see below), foreign policy, monetary policy and currency, national standards including the regulation of the media, and the regulation of the oil sector (but not its distribution, see below). Most other powers should be allowed to devolve to local governments and the process of filling in the gaps in the constitution should be used to assist this process.

Thus, decentralization is inevitable and necessary, but its course is not set. This creates a very dangerous set of conditions and it is crucial for the United States not to attempt to impede that process, but to foster it and guide it in directions that will assist reconstruction. Some of the most important initiatives that the United States should pursue include:

- **Enhance the political authority and economic and security power of local government.** Wherever possible, the United States and members of the Iraqi government must look for ways to shift various economic, political, social, and even security responsibilities from the central government to local government and provide them directly with the resources necessary to accomplish them. This is the heart of decentralization. It should include the provision of funds directly to local government to be spent at their discretion. These funds should include money from Iraq's oil revenues (discussed in greater detail below), foreign aid, and eventually the raising of local taxes. Similarly, Iraq's various police forces should be transferred from the Ministry of the Interior (MOI) to the control of local officials (also

discussed in greater detail below). *Without control over money and even limited security forces, Iraq's local governments will be powerless.* Indeed, the central goal of decentralization should be to shift as much control as possible over funding and security forces from Baghdad to the rest of the country.

- **Establish local taxes.** Initially, it would be preferable for local governments to raise revenue via foreign aid, transfers from the central government, and a direct apportionment of Iraq's oil revenues. However, taxation is a very important element of good government as it mobilizes the community to care about politics, to participate in and monitor the activities of the government, and to think about the common good. Thus, taxing should be seen as a means of community-building and political reconstruction, in addition to the economic benefits of raising taxes to pay for infrastructure development and other community needs.

Of course, most Iraqis have never had to pay taxes thanks to Iraq's oil wealth, and introducing heavy taxation too soon could be the "straw that broke the camel's back" for a population that is already frustrated by how little reconstruction has benefited them. However, there are still approaches that could eventually be introduced and be seen as providing immediate benefit. For instance, Joseph Siegle has suggested that *Iraqi communities could voluntarily establish targeted taxes for specific infrastructure repair and development projects that the community at large identified as a priority.* Setting the precedent of communities taking ownership over the use of local resources has potentially far-reaching implications for local government accountability. Once communities are confident their taxes will be used for beneficial ends, they may choose to make them permanent. Taking this a step further, Frederick Barton has suggested a system whereby *international agencies, foreign donors, or the central government could establish pools of money to provide matching funds for money raised by Iraqi communities through local taxes to pay for these specific projects.*

Moreover, the establishment of very progressive local taxes could be seen as helping to redistribute wealth from the rich to the poor. Thus, *property taxes, automobile taxes, and luxury taxes, when coupled with public spending to benefit the poorest segments of society could also have some immediate appeal.* Finally, as part of the privatization of Iraq's oil industry, *the central government should impose a national tax on petroleum* to remind Iraqis that consuming oil means burning Iraq's most precious export commodity.

- **Respect the decisions of local governments.** Both the U.S.-led Coalition and the Iraqi central government have a deplorable record of running roughshod over local government. The United States effectively created all of Iraq's local councils, and then just as quickly left them powerless by transferring authority to the IGC and CPA. Even today, many American personnel continue to ignore the requests and decisions of local governments. This is corrosive to the necessary process of decentralizing power in Iraq. It also continues the pattern established under Saddam and previous dictators, whereby Baghdad made all significant decisions and local government, to the extent it existed, did nothing but serve as a conduit for decisions that Baghdad did not think important enough to have implemented by the ministries, the military, or other assets of the central state apparatus. All societies are status-conscious and Iraqi Arab society more than most. Thus, ignoring local governments materially affects their ability to rule because signs of disrespect are quickly recognized by the public. *It is critical that U.S. and Iraqi government personnel abide by the decisions of the local government on all but clearly delineated national policies to allow them to establish their authority to rule.*
- **Diminish the role of Iraqi ministries by allowing considerable implementation, contracting and even some elements of regulation to be set by local governments.** Iraq's ministries are too heavily

involved in implementation of policy. For a variety of reasons, including the fight against corruption (see below), this needs to be changed. Doing so will allow many of the prerogatives currently exercised by the central government to be transferred to local governments. The ministries need to be reoriented toward setting broad policy, national standards and practices, and for holding both private firms and local governments accountable for implementation, but not for handling the actual implementation themselves. This approach, furthermore, would emphasize the technocratic rather than financial rationale for joining government service.

- **Encourage greater transparency in local government.** Another method of empowering local government is to inject transparency into its procedures. Doing so makes the public more aware, confident, and interested in government decisions. Transparency is both easier and more intimate for local government, where the audience often knows the people and the issues much better than they would know what is going on in Baghdad. *Iraqi local governments should be encouraged (or directed) to have regular, open public meetings where members of the public should be able to engage either the local legislature or executive figures directly.* While this could take the form of New England town meetings, it might take a form more traditional for Iraqi Arabs such as the *majlis* of a tribal shaykh or the *shura* of an Arab government. In addition, *local councils should be encouraged to broadcast their meetings and publish their proceedings to make it easy for people to learn about their activities.* Of course, transparency is also important because if greater power and money is going to be delegated to the local government, greater controls and oversight must also come along with it.
- **Distribute resources and authority based on performance.** Although some degree of funding and control over local security forces should accrue to every locality, there should also be incentives for local governments to exercise power prudently

and implement their responsibilities effectively. Moreover, because of the neglect first under Saddam and later under the CPA, the abilities and popularity of Iraqi local government are highly uneven. Iraqis need to see real benefits for improving local government on all counts and the best way to do this is by rewarding those localities that are doing well. Simply put, *the better-run provinces should get more funding and other resources*. Objective criteria focused on transparency and effectiveness must be developed both by the central government, foreign donors or the international community, and those that meet the standards should be rewarded. Conversely, those governments found to be misusing public funds should be subject to cut-backs, prosecution of responsible officials, and additional external scrutiny. Some pools of money might be set aside for localities that met election deadlines, standards and thresholds for participation. Likewise, foreign aid providers would want to continue using some subjective criteria to reward those governments doing best because objective measures would likely fail to capture some issues, no matter how well-designed the metrics.

On a matter closely tied to performance-based resource distribution for local governments, it is important to keep in mind the relationship between decentralization and the traditional counter-insurgency strategy (the spreading “oil stain”) outlined in Chapter 1. Part of decentralization is intended to reward communities within (and supportive of) the “oil stain.” As noted previously, resources committed to unsecured areas of Iraq are in effect wasted because whatever they build cannot be protected from destruction or corruption. Thus, it only makes sense to pump resources into those parts of Iraq that are truly secured, and the goal of the spreading “oil stain” approach is to create large regions of the country where that is the case. By the same token, it is vital to commit massive resources to those parts of the country that are secure to allow political and economic systems to begin to revive to create areas of good government and prosperity. Thus, the “jurisdictional

variation” in apportioning resources that Joseph Siegle and others have advocated is closely tied to the selective pacification approach of a traditional counter-insurgency strategy. Those areas that should be rewarded for practicing good government should also be those within the “oil stain.”

THE POLITICAL DIMENSION OF IRAQI OIL REVENUES

Like so many other developing countries, Iraq’s massive oil reserves have been both a blessing and a curse. A blessing because Iraqis are (relatively) better off today and potentially much better off in the future because of the possibilities created by their country’s oil wealth. A curse, because oil has brought rampant corruption and is a major source of internal conflict. Indeed, it is probably the case that the success or failure of political reconstruction in Iraq hinges on (among other things) getting the distribution of Iraq’s oil revenues right. This issue is critical to a number of the biggest problems facing Iraq today:

- *National reconciliation will only be possible if all groups believe that an equitable distribution of oil revenues has been put in place.* The lure of Iraq’s oil wealth is so vast that any number of Iraqi groups—political parties, militias, insurgents, etc.—would fight if they believed they were being denied their fair share.
- *Rebuilding central government capacity and convincing elected officials in Baghdad to try to improve the lives of their constituents is probably a will-o’-the-wisp until a scheme for distributing and accounting for Iraqi oil resources has been developed.* As long as there is no fixed system for apportioning Iraq’s oil revenues, all of the sub-groups in Iraq will continue to fight over the division of the spoils rather than bothering to govern or rebuild the country.
- *Distributing Iraqi oil revenues directly to the provincial and municipal levels of government is key to decentralizing power and resources.* Indeed, for most local governments money is power and is the most important

resource. Thus, breaking Baghdad's lock on oil revenues is also vital to breaking the logjam created by the capital's corrupt and incompetent bureaucracy.

- *An important element in reforming Iraqi politics is to use Iraq's oil revenues to make the Iraqi people interested in the goings on in Baghdad by tying their own material rewards to the actions of the Council of Representatives. When there is money involved, people pay attention.*
- *One way to help galvanize people against both organized crime and the insurgency is to give them a direct stake in Iraq's oil revenues. If they know that a system has been created which will result in more of the oil money going to their benefit—both directly and indirectly—they will be much more motivated to actively oppose both the criminals who steal the oil and the insurgents who attack the oil production and export systems.*
- *Similarly, since a great deal of the corruption in Baghdad stems from misappropriation (or outright theft) of oil revenues, developing a system that makes it harder to steal oil or oil money is also an important part of dampening corruption. This could be a logical area of engagement by the International Monetary Fund (IMF) and World Bank. The IMF has recently established some standardized financial practices for the accounting of extractive sector revenues. On a similar point, given the growing recognition of the myriad of dysfunctions stemming from the “oil curse,” Great Britain has championed the Extractive Industries Transparency Initiative (EITI),⁶ which sets out a protocol for the disclosure of revenues/royalties paid. While currently voluntary, there is growing pressure to make such practices the norm. Iraqis should be convinced to sign on to the EITI protocol and to implement it.*
- *Iraq's oil revenues are vital to Iraq's economy for growth, employment and ultimately diversification.*

What all of these imperatives make clear is that Iraq must have a relatively fixed system for the distribution of its oil revenues. Without such a fixed plan, it is impossible to imagine real national reconciliation because all of the parties will continue to fight over who gets how much—and anyone who doesn't like the results will be tempted to resort to force to try to have their way. All of the fighting for oil revenues will distract elected officials and technocrats from the job of running the country, let alone rebuilding it. And varying constituencies could feel alienated by a particularly inequitable division of the pot, possibly pushing them to rebel.

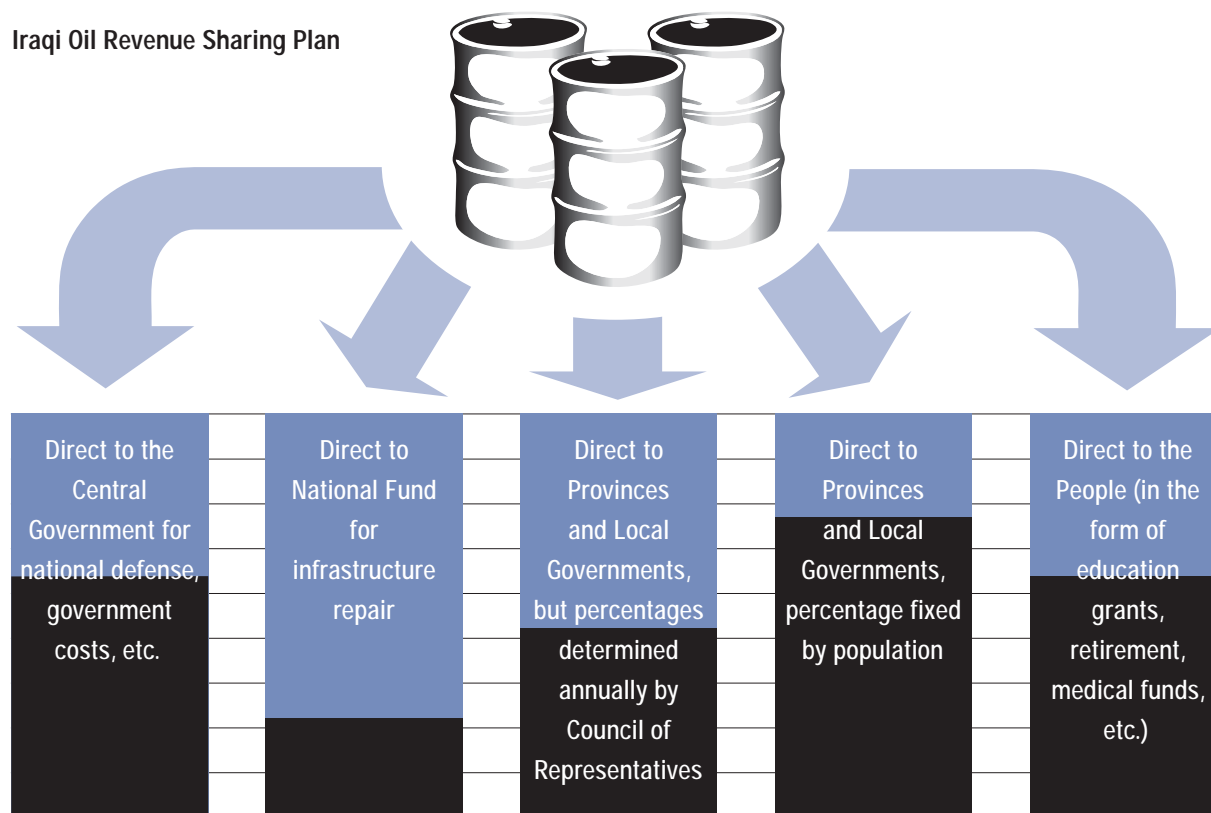
Moreover, a fixed distribution plan is necessary to ensure that not all of the revenues simply go into central government coffers, there to await redistribution. Having all oil revenues go to the central government as simple revenue (and pure discretionary funding) breeds corruption, because it becomes very difficult to keep track of the money and where it is supposed to go. In addition, it also centralizes power in the hands of the federal government, to whom local governments must apply for funding. This would undermine the critical objective of decentralizing power.

A plan for a new distribution of Iraqi oil revenues. If it is self-evident that Iraq requires a relatively set distribution scheme for oil revenues, it is harder, but not impossible, to stipulate what that scheme should look like *a priori*. Dollar figures can really only be set based on the price of oil, the actual costs of governance (which are not yet available and vary from year to year), and the needs of various projects. However, it is possible to describe the basic features of such a plan and its essential workings. The basic schematics are shown in graphic 1, opposite page. Its key features are:

- *Ensure that there are multiple “baskets” into which Iraq's oil revenues are poured. Fewer, larger pools of money are always easier to rob than more, but*

⁶ Details on EITI are available at <<http://www.eitransparency.org/>>. A list of countries that have implemented and signed the EITI principles is available at <<http://www.eitransparency.org/countryupdates.htm>>.

Iraqi Oil Revenue Sharing Plan



smaller, pools. This plan proposes five separate such “baskets.”

- *Basket 1: Some funding of the Iraqi federal government is critical.* In particular, the salaries of federal employees and all members of the nation’s armed forces (including the reconstituted ICDC/ Gendarmerie which will be part of the Ministry of the Interior) could all reasonably be funded from oil revenues. However, between cutting corruption, ending subsidies, and shifting many former central government tasks to local government or the private sector, it should be possible to greatly decrease central government expenditures leaving more oil revenue for spending on other sectors.
- *Basket 2: Fund infrastructure development directly.* Iraq’s infrastructure is in a woeful state and it would be ideal to have a pool of money available to directly fund local, municipal, and provincial-level projects to repair and build new infrastructure. Likewise,

infrastructure projects are often major opportunities for corruption and an independent entity charged with distributing the funds, overseeing the project, and then reporting on its outcome to the Council of Representatives could help deal with this problem.

- *Baskets 3 and 4: Create a mixed system for wealth distribution to provincial and municipal governments to promote popular interest in local government and national representation and in turn make both local and national-level representatives more accountable to their constituents.* This is a critical aspect of the proposed system. Just as it is important that some revenue be used to continue to fund the federal government, so too is it important that a portion of oil revenues also go directly to lower levels in the Iraqi governmental structure to ensure the decentralization of authority, empower local governments, and diminish the amount of resources that must be directed from Baghdad.

As shown in graphic 1 above, there are two different

baskets of money that would go to the local governments. Basket 3 would provide oil revenues directly to local governments based on the population in their municipality thus ensuring that every government has some oil money available to it to meet the needs of its citizens.

Basket 4, on the other hand, would provide an additional pool of revenues that could be divided up among the provinces on an annual basis by the Council of Representatives. As Noah Feldman suggests, the idea behind this second pool would be to give the average Iraqi a very tangible interest in the performance of his or her national representatives and encourage deal-making across party and sectarian lines. Since the division of this second pool is variable, and its ultimate distribution would be publicly known, every Iraqi would want his or her representatives to fight for as much of that money to go to their province as possible. It thereby creates a concrete standard by which voters can measure on an annual basis how well their representatives are doing for them. For example, if during one year the average division of this basket were 6 percent per province, then any representatives who delivered over 6 percent would be lauded by their constituents, and any who delivered under the average would be derided—and possibly voted out of office at the next election.

Similarly, since Iraq is now voting for the Council of Representatives based on provincial lists (still not as beneficial as direct geographic elections, discussed below, but much better than the single-district system used in January 2005) such a system would encourage candidates from different political parties but from the same province to work together to get as much of this pool of money as possible for their province so that they all could stay in office. In mixed provinces (and roughly one-third of Iraq's population does live in mixed provinces) this would force Council of Representatives members to associate with their geographic comrades, even though they might be ideological rivals, thereby building up

the cross-cutting alliances that are vital to diminishing sectarian cleavages in the Iraqi system. It is similar to how the entire Congressional delegation from a split state in the United States works together to ensure the maximum government expenditures (including pork) for their state.

- *Basket 5: Provide funds directly to the people themselves.* One of the best ways to stimulate the Iraqi economy is by putting money in the hands of the people. This would help reconstruction in several ways. First, this money should not simply be paid directly to every Iraqi household, but would be better deposited in individual bank accounts earmarked for specific purposes—education, retirement, healthcare, etc., that could either be determined on a country-wide basis by the Council of Representatives or left up to individual Iraqis themselves (preferably the latter). *Putting the money into special bank accounts would capitalize Iraq's banking system; re-capitalization is desperately needed to inject liquidity into the Iraqi economy and to create funds for investment.* Second, *by giving the Iraqi people a direct stake in oil revenues it will energize Iraqis to oppose both organized crime and the insurgents who steal the oil and its revenues and destroy the oil infrastructure.* Third, *by putting money in Iraqi hands and then giving them a choice on how to spend it, market forces are able to operate more efficiently—if the people want to use the money for healthcare, the demand will stimulate the growth of clinics and hospitals and make it more profitable for doctors to stay in Iraq rather than fleeing to the West. On the other hand, if they want education, the demand will inevitably spur the building of schools and increased pay for teachers, which will in turn entice more qualified people into teaching.*

Alternatively (or perhaps additionally), revenues directly to the people could be used to eliminate the food rations that Iraqis still receive from the central government. This is a horribly inefficient use of resources, and it would be much better to put the money in the hands of Iraqis and allow them to

decide what they want to eat, thereby removing the corrupt and inefficient central bureaucracy from this necessity of life.

Two additional points are worth making about this oil revenue distribution plan. First, *it is critical not to under fund the various baskets*. If Iraqis only get a few cents per month from direct distributions, it is likely to be seen as a joke, and probably as proof that the system is still deeply corrupt. Thus, in setting the proportions to go to each basket, it is important to keep in mind both percentages and absolute minimum figures. It may be that for some of the baskets—particularly the infrastructure development fund in Basket 2—they will not be funded at all unless the country brings in a certain level of oil revenue (a level which should be inflation indexed) so that if oil revenues are particularly low one year, that basket is not funded at all so that more of the revenues can go to the other baskets, which are more important. Second, *ensuring an equitable distribution of the oil wealth is yet another reason why Iraq needs an accurate census, and the sooner the better*.

TACKLING CORRUPTION

Corruption has become one of the most important issues facing Iraq today. Like the problem of insecurity, with which it is intertwined in many ways, corruption undermines nearly every aspect of reconstruction directly or indirectly. In public opinion polls, it consistently ranks with security and unemployment as the top three issues that Iraqis believe have the greatest negative impact on their lives.⁷ And, unfortunately, they are right. Billions of dollars are being siphoned away from reconstruction through corruption. Along with the security vacuum that made it possible, corruption has been a major impetus to the massive growth of organized crime in Iraq—from crime rings that steal and sell oil to assassination teams that kill uncooperative Iraqi officials or business rivals. Corruption is one of the

problems that has hindered the restoration of Iraq's infrastructure, the creation of capable Iraqi security forces, the provision of adequate supplies of fuel, and the acceptance of a new power-sharing arrangement among Iraq's various ethnic and religious groups. In particular, *corruption is probably the single greatest factor inhibiting the creation of Iraqi political institutions (especially for the central government in Baghdad) capable of governing Iraqi society and supporting an independent military and a prosperous economy*.

Corruption has always been a problem in Iraq, but since the fall of Baghdad, most Iraqis believe that it has reached astronomical new proportions. Part of the problem was the unpreparedness of the United States for postwar reconstruction, resulting in many haphazard and *ad hoc* decisions made without any safeguards, a situation that created enormous opportunities for graft. Another, related, problem was the shortage of Coalition personnel to oversee, audit, and supervise Iraqi activity. The result was problems across the board, which set terrible precedents and created entrenched interests that cannot now be easily removed. As one important example, the UN International Advisory and Monitoring Board “found gross irregularities by CPA officials in their management of the DFI [the Development Fund for Iraq, set up to hold Iraq's oil revenues and foreign aid to pay for reconstruction needs] and condemned the United States for ‘lack of transparency’ and providing the opportunity for ‘fraudulent acts.’”⁸ Moreover, the lack of formal controls on Iraq's interim and transitional governments meant that thousands of government officials at all levels were profiting illegally from Iraqi oil revenues, contracts, and the illegal sale of government assets in ways that they would never have dreamed of doing under Saddam.

There should be little doubt that the United States must place the highest priority on fighting corruption in Iraq in all of its manifestations. We will never see the creation

7 See for instance, International Republican Institute, “Survey of Iraqi Public Opinion, November 1–11,” November 2005, p. 36.

8 Diana Rodriguez, Gerard Waite and Toby Wolfe, eds., *Global Corruption Report 2005*, Transparency International, London 2005, p. 85.

of military and political institutions capable of holding Iraq together without massive external assistance unless corruption is brought down to a level where it is no longer hollowing out every Iraqi ministry. Moreover, there is no “silver bullet” solution to the problem of corruption. The United States and the international community have confronted corruption in nearly every exercise in nation-building undertaken in the past 60 years and no one has ever discovered a way of eradicating it quickly or completely. However, there are a wide range of tactics which, if prosecuted collectively, energetically and on a sustained basis, can produce a real diminution in corruption.

General principles for fighting corruption. There is no government on the planet without some degree of corruption, and given the history of Iraq it is outlandish and unnecessary to believe that it could be completely eliminated there. However, corruption can be dramatically reduced by adhering to a general set of principles devised over time and proven effective in a range of cases. The primary goal of all anti-corruption efforts must be to increase the costs and risks while simultaneously diminishing the incentives for graft. In simple terms, this means making it harder for people to cheat, making the penalties for getting caught more painful, and raising the compensation for officials at all levels so that they have less need for extra income and more to lose by getting caught. A comprehensive approach focusing on all three aspects can reduce corruption to the level where it is a nuisance and an embarrassment, rather than the current national emergency. In practice, this amounts to:

- *Creating a process of comprehensive re-education to make people understand that corruption is wrong and harmful to everyone; to help them identify corruption, and to explain how they should react when confronted by acts of corruption.*
- *Paying good salaries to public officials across the board.*
- *Imposing severe fines, jail time, and other punishments for those convicted of corruption to deter all but*

the most determined from committing acts of graft. This is of particular importance in Iraq, because its cultural system sees many acts of corruption as “normal” behavior—like people ousting qualified personnel to be able to move their unqualified relatives into more lucrative positions. Thus, while the process of education changes norms about corruption over time, heavy penalties are needed as simple deterrents in the short term.

- *Making sure that those who must enforce the laws governing corruption are themselves honest people, well paid, provided with adequate resources, employing proper techniques, and protected from retribution by those whom they must prosecute—especially organized crime, insurgents and militias.*
- *Creating incentives for those who want to get rich to pursue their fortunes in the private sector, rather than by the lure of graft in the public sector.* Ideally, over the long-term in Iraq, a prosperous economy will make it far easier to make money outside government than in it. However, because Iraq’s economy remains hobbled by overcentralization, undercapitalization, and insecurity at present, the cleverest (and greediest) recognize that they can make far more by robbing from the public coffers than by making risky investments in the private sector.
- *Recognizing that the quantity of anti-corruption measures is as important as their quality.* Because there is no “silver bullet” solution to the problem of corruption, and clever and determined crooks will always find ways to cheat, it is important to have as many anti-corruption measures as possible. The more that anti-corruption measures complicate the efforts of the criminals, the more they impose costs and risks. With such a heavily “layered” approach, even if each only complicates corruption slightly, the combination can create a deterrent effect that is far greater than the sum of its parts.
- Finally, in Joseph Siegle’s memorable phrase, *it is important to separate positions of public authority*

from opportunities for private enrichment. In particular, this requires a comprehensive set of government regulations concerning personnel, financing, procurement, contracting, and accounting to make illegal all of the various practices that Iraqis have been indulging in for decades—and over-indulging in for the past three years. Everything from nepotism to preferentially awarding contracts to accepting bribes must be carefully defined and unambiguously prohibited.

Minimizing opportunities for graft. When considering how to minimize graft, it is important to start by reducing the opportunities, to make it more difficult and more costly for determined crooks, and to reduce temptation for those who might otherwise stay on the straight and narrow path.

- *Privatize the implementation of policy.* As noted above, the Iraqi government is already far too centralized, controlling far too much of Iraq's political and economic activity. A plan for gradual privatization is an important element of decentralization, but it is equally important to curbing corruption. The more that the government and its ministries control the means of implementation, the more opportunities for graft. For instance, ideally, Iraq's ministry of energy would set guidance, guidelines, standards, and practices for electricity provision—as well as overseeing the activities of the providers—but would not run the generators and sub-stations themselves. Private industry is far better able to deal with graft than government, and the more that the government can allow the provision of services to be handled by industry and the market, the more likely that they will be supplied with minimal corruption. Moreover, privatization introduces additional actors into the equation, and the more actors, the more difficult it is to organize graft and the more opportunities for the corrupt to be caught (because more people have to turn a blind eye or participate in the corruption).

The area most in need of privatization is Iraq's refining,

distribution and sale of petroleum products (what is called “downstream” oil production). Huge amounts of Iraqi oil is lost to smugglers and black marketeers who have connections to, bribe, blackmail, or threaten with violence, everyone from truck drivers to guards to gas station attendants to steal Iraqi petroleum products. This is a piece of the Iraqi economy that is ripe for privatization and desperately needs it.

- *Regulate privatization carefully.* Of course, in addition to other problems of overly-rapid privatization, there is the risk of increasing corruption if it is done wrong. If industries are privatized too quickly—before there are entrepreneurs organizationally, psychologically, and financially ready to buy them—they often end up in the hands of organized crime, which is always ready and able to come up with the cash. Moreover, if privatization is not properly regulated, including having the time to properly vet the procedures, industries often get sold to those connected to (or paying off) government officials. This is precisely how privatization in Russia led to the massive enrichment of Russian organized crime.
- *Gradually end Iraq's subsidies on oil and food.* Subsidies interfere with the efficient functioning of the market, which by definition introduces opportunities for graft. In particular, the ridiculously low price of gasoline in Iraq (about 2 percent of the cost in neighboring Jordan) creates enormous temptations for corruption. Those associated with Iraq's state-run oil industry can sell oil to black marketeers for several times what it would be sold for on the domestic market, and the black marketeers can in turn sell it in neighboring countries still below market rate, but well above the Iraqi subsidized price.

In the case of oil, the United States has prevailed on the government of Iraq to begin this process, with the price of premium gasoline being raised from \$0.13 per gallon to \$0.64 per gallon this year. It is fine for this to happen in a gradual fashion, both to mitigate the anger of the average Iraqi and to allow markets to adjust.

However, it is absolutely crucial that the process continue and that this first price hike not be the last.

With food, the story is not even this good, with little change in the provision of monthly rations to Iraqi families. On the one hand, because of the depredations of unemployment, underemployment and inflation, most Iraqis can't afford to buy what they need to survive. On the other hand, the food rationing system is highly corrupted, having been created under the UN Oil-for-Food program—now finally exposed as having been riddled with graft and a principal method by which Saddam starved recalcitrant members of his population into submission. At the very least, *the United States should press Iraq to instead provide food stamps or a similar program to those in need* (and, like food stamps, a determination of need should be required before the food stamps are provided) so that money is pumped into Iraq's economy to improve liquidity and market forces can be allowed to work.

- *Reduce the monetary size of aid and reconstruction contracts.* The bigger the dollar amount of any contract, the easier it is to hide graft in it and allow both sides to skim off the finances. Smaller contracts are less efficient in many cases, but are harder to corrupt. Moreover, for the simple reason that smaller contracts mean smaller amounts of money, more but smaller contracts means that it is harder for an individual or group to steal large amounts of money, and there are more opportunities for them to get caught doing so. As an added benefit, smaller contracts are generally within the reach of most Iraqi contractors, making it more likely that money will flow into the Iraqi economy rather than the bank accounts of the international shareholders of Bechtel and Halliburton. USAID has taken some very important steps in the right direction on this matter, but it is not the only aid provider and there are still too many giant contracts on offer.

- *Emphasize the funding of small businesses.* For reasons similar to the need for smaller contracts, so too funding smaller business is a better way to reduce graft. This would also stimulate the development of a broader entrepreneurial middle-class in Iraq that would be a major source of employment generation and economic dynamism for the country.

- *Physical impediments to corruption.* Iraq can also raise the costs and risks involved in graft through various physical (and organizational or accounting) methods. Checkpoints at key border crossings used by smugglers, random checks on gas stations, and the physical capture or even destruction of known storage facilities (especially for oil) are examples of some of the many measures that should be implemented or augmented.

With reference to the oil industry, it is vital that the United States and the Iraqi government make a major effort to *eliminate the gaps in the tracking of Iraqi oil production*. Although it has been over a year since the UN's International Monitoring and Advisory Board condemned the United States for failing to ensure that Iraqi oil production was properly metered, problems still remain. Moreover, gauges on Iraqi oil storage facilities frequently do not work, either through neglect or tampering. As a result, it remains very difficult to account for all of Iraq's oil as it moves through the production, refinement, and export (or distribution) systems making it easy for corrupt officials to sell off barrels on the side. Another problem is that *the oil ministry has woefully under funded the office charged with inspecting these facilities*—likely because officials in the ministry are reputed to be among the most corrupt in Iraq and so have no incentive to retain adequate numbers of inspectors who might uncover their illicit activities. According to some reports, the ministry has only 10 percent of the number of inspectors it needs.⁹ This must be rectified immediately.

⁹ Alex Rodriguez, "Graft Holds Back Economy; But those Trying to clean up Corrupt Oil Industry Risk Lives," *The Chicago Tribune*, September 25, 2005, p. 3.

Transparency. Another method of fighting corruption closely related to the need for physical impediments is the need for transparency. Corruption needs darkness to thrive, so shedding light on the procedures of Iraqi ministries and their personnel can only make corruption harder, costlier, and riskier. Some suggestions for improving transparency include:

- *Full disclosure of all governmental revenues and expenditures.* This is the simplest, most obvious and most important of all elements of transparency. In any democracy, the people have the right to know how much their government took in (including from what sources) as well as how much it spent (and on what). The best way to begin to uncover corruption is to know what the government claims to have brought in and what it claims to have spent and on what items. At this point, Iraq's revenues and budget remain lost in a fog of incomplete and partial information. It is in effect impossible to know the answers to these questions, yet they are a critical starting point to allowing legislators, opposition political figures, watchdog groups, and the press—and through them, the Iraqi people—to trace the flow of revenues through the government's coffers.
- *Reveal the finances of Iraqi officials and prevent them from profiting while in government.* Under U.S. pressure, Iraq adopted a requirement for all public officials to disclose their wealth and financial assets upon taking office. This is an important first step, but it needs to be expanded so that Iraqi officials must make the same declarations on an annual basis. Likewise, it would be useful for Iraqi law to mandate that senior leaders, and/or officials connected with key ministries (oil, finance, trade, interior, defense), or even all officials, may not have any private business interests. *Those they have upon entering government should have to be placed in "blind" trusts.* This helps separate public authority from opportunities for private enrichment.
- *Cut time and steps needed for business licensing.* Throughout history and across the globe, business

licenses are prime vehicles for graft, creating opportunities for bribes and blackmail. The more that the process can be simplified and accelerated, the less the temptation for corruption.

- *Local community leaders should participate in monitoring reconstruction contracts.* In addition to helping decentralize authority by empowering local leaders, bringing in local community leaders to assist with the oversight of reconstruction projects can greatly reduce corruption. Local leaders often have an incentive in having contracts completed properly—because they will benefit or suffer in a very immediate sense—and can keep track of a project in ways that external auditors generally just can't. The locals are there on the scene on a constant basis, and usually have good information as to whether the terms of the contract are being properly met.
- *Government contracting offices (and foreign countries providing aid) must have the resources and personnel to conduct regular but random follow-up inspections to ensure that the contract is being properly executed.*
- *An independent entity should be responsible for issuing "report cards" on Iraqi budgetary, fiscal, monetary systems, on an annual basis and the results made public.* Because report cards are so easily understood by the public, they are a very effective way to focus unwanted attention on corrupt (and/or inefficient) agencies and offices of the Iraqi government. Since no agency would want to come out at the bottom, at the least they would create incentives for ministries to come out relatively better than their counterparts. Because it would be difficult to keep this process entirely untainted if the entity issuing the report cards was part of the Iraqi government, it might have to be an external actor that did so. The IMF might be willing to take up the task, given both its capabilities and its other missions, and if so, this might be ideal.

Aggressively "watchdogging" Iraqi officials. Along with the need for transparency so that corruption can

be exposed is the need for someone to do the looking and the exposing. As with all anti-corruption measures, the more watchdogs there are over the public sector, the better. Frederick Barton has made the point that because corruption is so widespread in Iraq, U.S. and Iraqi officials need to “flood the market” with individuals and groups looking to expose and eliminate corruption. These groups would sharpen the teeth of any anti-corruption effort. The goal would be both to catch as many of the guilty as possible, but also to deter the tempted innocent. Some of the most important include:

- *Multiple, reinforcing oversight agencies overseeing governmental procedures, especially contracting, accounting, financing, and disbursing.* Under U.S. tutelage, every Iraqi ministry now has an Inspector General’s office with the mission to monitor the ministry for corruption, among other things. Although this is a positive move, all of them remain badly under resourced and many are manned by cronies of the minister, making them unwilling to actually pursue corruption. Others are fearful that they will be killed by the corrupt officials or their business partners, who are often members of organized crime. These offices are complemented by the Commission on Public Integrity and a Supreme Audit board, but these too are understaffed, underfunded, and reportedly heavily penetrated by organized crime and corrupt Iraqi politicians themselves. Likewise, the UN’s International Monitoring and Advisory Board serves as a super-Inspector General with the writ to oversee the government as a whole. However, it too lacks the resources to conduct this function comprehensively or aggressively. Finally, Iraq has several narrowly-focused anti-corruption committees (including one charged with looking into the oil ministry), which lack the purview to make more than a marginal effort, and are actually staffed by some of the most corrupt people in the Iraqi government, who use them merely to attack their political enemies and economic rivals.

Consequently, there is still much to be done in this

area. The Council of Representatives, in particular, needs to create committees with real oversight functions and the resources to do so. To this end, it would be extremely helpful *to create an Iraqi equivalent of the General Accounting Office*, which performs an independent, non-partisan oversight role for the U.S. Congress in addition to that exercised by Congressional committees. The Supreme Audit Board might grow into this function, but it so far has failed to do so. Likewise, Iraq should also have its own *“super-inspector general” office within the executive branch, with the powers to delve into any ministry or agency and investigate it for corruption.* Finally, considerable effort should be committed to instilling generally accepted accounting standards and ensuring that there is adequate private sector auditing capability. Government agencies, in turn, should routinely *hire one or more private accounting firms to serve as independent external auditors.* Frederick Barton has suggested that the Iraqi government hire large numbers of unemployed college graduates to snoop around the country looking for signs of governmental corruption, both to fight corruption and rein in unemployment. Again, the idea is not that any one of these groups will uncover all of the corruption in the system, but that by having so many—and encouraging them to compete with one another—Iraq would greatly increase the likelihood that the guilty would be caught, and others would simply be deterred from ever heading down the crooked path.

- *There must be legal (and physical) protection for whistle-blowers and it must be easy for people to report corruption.* Iraq should create anti-corruption “tip-lines” where people can call in with reports. Likewise there should be both national level and ministerial ombudsman’s offices where employees can go to report corruption without fear of retaliation.
- *Those who successfully expose corruption should be rewarded.* Personnel in anti-corruption agencies need to be paid well for their efforts (because their work will be unpopular and potentially dangerous, and to raise the threshold for them to become

corrupt) and need to be rewarded for their successes. Likewise, whistleblowers should receive monetary rewards if the target of their tip is convicted of corruption offenses.

- *All of the anti-corruption mechanisms must be properly funded.* In particular, the Iraqi government has done a very bad job of paying people regularly and punctually. This practice has to be fixed across the board, but especially for those people charged with stamping out corruption. The more a person has trouble with his or her paycheck, the more they are likely to engage in graft. Funding of anti-corruption mechanisms may make the ideal avenue of support for donors that have been reluctant to support the reconstruction effort thus far.

Accountability. The next aspect of Iraq's war on corruption that must be beefed up is its willingness and ability to hold those guilty of corruption accountable for their actions and punish them. A substantial part of any anti-corruption program involves deterring people from engaging in corruption and a key aspect of deterrence is the threat of significant punishment—loss of money, loss of employment, or loss of freedom through imprisonment—for those caught. If corruption is not punished when it is discovered, it will run rampant. Iraq's efforts to punish corruption are worse than non-existent, they are generally counterproductive, with those few groups empowered to root out corruption generally being so corrupt themselves that they punish their political enemies rather than those most guilty. Consequently, there are any number of steps Iraq should take:

- *Prosecute high-profile cases.* It is absolutely essential to effective anti-corruption measures that examples be made. Moreover, these examples must be very important figures to send the message that *anyone* found guilty of corruption will pay a price no matter who they are. (This is also important for establishing the rule of law and the notion of impartiality in governance throughout the country). In some ways, this is the biggest problem with corruption in Iraq today,

and the issue most in need of immediate reversal. Iraq's most corrupt officials have not paid any price for their malfeasance. In particular, stories abound of the corruption of Iraq's oil and interior ministers under Ibrahim Ja'fari's transitional government—the one for theft, the other for use of his ministry to pursue a political agenda through violence, including reports of assassinations and ethnic cleansing. Yet little to nothing has been done even to investigate these charges. In both cases, no one has taken action because those allegedly involved are extremely important political figures. However, if ministers are not held accountable (at least to investigate the accusations, which could very well be groundless) it will embolden every petty thief in the government.

- *Because of both the importance and delicacy of handling these cases, there should be a special court for cases of corruption, especially those of high-ranking and otherwise well-connected officials.* The judges, prosecutors, and other personnel assigned to this court, in particular, must receive generous salaries, considerable protection, and perhaps even anonymity to allow them to perform their duties objectively and impartially. The judges and other personnel should also be very carefully screened. Noah Feldman has suggested that *these cases should be decided by a panel of judges, and that it might be helpful to have at least one foreign judge (who must be an Arabic speaker, see below) on each panel to ensure impartiality.*
- *Members of Iraqi anti-corruption organizations of all kinds must be thoroughly vetted by multiple agencies, preferably including by several of the judges of the special corruption court.* This is more about choosing good, honest people from the beginning, but in current circumstances would likely play an important role in accountability; this vetting process would probably result in the ousting of a number of currently serving officials.

The role of the Iraqi media. The Fourth Estate is critical to any aggressive anti-corruption campaign because

of its power to expose and embarrass both the corrupt and those who failed to take action against them.

- *The Iraqi press must be pushed to report on corruption as aggressively as possible.* Iraqi investigative journalists should be encouraged and assisted in pursuing these stories, even though they might also be embarrassing to Americans. This is the quintessential role of the media in fighting graft in a democratic society.
- *The members of the press must be educated in government administration, politics, civics, and economics so that they know where to look for corruption and recognize it when they see it.* It is important to keep in mind that Iraqi journalists are very new to their craft and as a result, do not always know enough about the function of government to know where to look for corruption. This would be an excellent venue for universities, schools of journalism, institutes of politics, or politically-focused NGOs (like NDI and IRI) to make a major contribution by *setting up programs to teach Iraqi journalists the basics of how government functions, how democracies work, what constitutes corruption, and a bit of economics so that they understand how mechanisms of corruption (like “arbitraging” oil prices) work.*
- *Along similar lines, the media must be employed by the government, watchdog groups, and donors to inform the public about the anti-corruption campaign.* The government needs to take out advertisements on radio, television, and print media condemning corruption, explaining what constitutes corruption (again, because much of what is considered corrupt by democratic standards is considered “normal” behavior in Iraqi society), and alerting would-be whistleblowers and other concerned citizens of opportunities to report corruption. In particular, *the government needs to use all forms of media to publicize the corruption “tip lines” and the rewards to be gained for the successful conviction of corrupt officials.* Saturation campaigns involving huge numbers of brief, repetitive radio advertisements worked well in both Brazil and Thailand in this respect.

Education. Transparency, watchdogs, and accountability are all designed to create structural incentives (or disincentives) to keep Iraqi officials from acting corruptly. However, of equal importance is changing Iraq’s educational system so that it teaches against graft, defined broadly, so that Iraqis will be less likely to act corruptly based on their own moral compass and more likely to act against corruption where they see it in others. Again, as noted above, most Iraqis do not understand the norms of a democratic society and consequently view many aspects of corruption as perfectly normal.

- *Teach civics.* For twenty-four years, the Iraqi people lived in the perverse world of Saddam Hussein’s totalitarianism. Before that, they lived under other forms of autocracy, benignly neglected though they were at times. At no time did they live in a true democracy and therefore their ideas about behavior are derived from these other systems of government, and are rarely consistent with behavior in a democracy. Iraqis need to learn new values—particularly what constitutes corruption, that it is wrong, and how to take action to stop it. Certainly civics needs to be introduced into Iraqi educational curricula at all levels so that future generations will understand these principles. However, it is vital that their parents and grandparents learn it now.

In particular, members of the Iraqi security services should be subjected to lengthy courses on civics and the role of the armed forces and police in a pluralistic society. These courses are just as important to the future of Iraq as training in weapons handling or small unit tactics. *Courses where students get no more than a couple of hours of civics, or even a couple of hours a week, as part of a larger curricula mostly focused on other things (as is our current practice) are unlikely to have any meaningful impact.* Only by constantly reinforcing these lessons and giving Iraqi personnel the chance to discuss, debate and internalize them are they likely to begin to reshape public attitudes.

- *Provide training courses and opportunities for officials*

already in government to learn about civics in a democratic society. Another important aspect of education is to provide training and other opportunities to learn for those already in government. This can take the form of *classes in civics in each ministry, educational programs either in Iraq or in foreign countries where democratic norms are strong, and participation in international fora where Iraqi officials can see and learn from representatives of foreign governments.* For instance, Transparency International has recommended, that it would be helpful “to grant the Iraqi Supreme Audit Board a seat on the International Monitoring and Advisory Board, to familiarize it with international auditing standards and improve Iraq’s local expertise.”¹⁰

- *Explain how corruption undermines democracy, reconstruction, and prosperity.* Especially for Iraq’s older generations, simple insistence that corruption (above all concerning nepotism and other forms of favoritism) is wrong is unlikely to convince them of anything. They are likely to see such efforts as an attempt to impose Western cultural values on them and will reject them. Consequently, all civics education must be rooted in a rational explanation of *how* corruption hurts all Iraqis.

Another important lesson to teach in these programs is *the difference between public and private resources.* In Iraq’s traditional system where patronage is accepted and expected, it is commonplace for officials to use their position to help themselves, their family, and their friends with jobs, contracts, and other forms of government favor. When the corruption reaches grotesque levels the people may grumble, but they are typically objecting to the extent of the favoritism, not the practice itself.

- *The United States and other foreign governments should loudly and repeatedly condemn corrupt practices uncovered in Iraq.* Part of inculcating new norms is to reinforce them by constantly calling attention

to unacceptable behavior. Indeed, because the United States has often chosen to ignore or downplay instances of Iraqi corruption for its own purposes, this has sent the wrong message to many Iraqis.

Reforming Iraq’s police and judiciary. It is self-evident that another important element in fighting corruption is to ensure that Iraq has a strong police force capable of deterring, investigating, and uncovering graft, and a judiciary capable of prosecuting the offenders. Without a determined, capable police force and impartial, dedicated judges, corruption will rage unchecked. Unfortunately, in present-day Iraq neither institution has yet reached a point where it can play the role that it must. In addition to their failings as a counterinsurgent force (discussed in Chapter 1), Iraq’s police are riddled with corruption; deeply penetrated by the insurgents, militias, and organized crime; poorly equipped; undermanned; and the principal target of attack by various armed groups. Likewise, Iraq’s judiciary is understaffed, the target of pressure and even attack from all sides, and still includes far too many judges appointed under Saddam’s reign whose loyalties, values, and capacities are suspect.

Iraq’s police suffer from many of the same problems as the other Iraqi security forces and therefore many of the changes recommended in Chapter 1 regarding the training of Iraqi security forces should be seen as applying to them as well. However, a number of other points are worth making because of the different, additional missions of the Iraqi police force.

- *Make fighting crime and keeping public safety the first job of the police.* One reason that the police have performed so poorly over the past two-and-a-half years is Washington’s harmful pre-occupation with the insurgency. As a result of this, the United States has emphasized the need to have a capable police force to help fight the insurgency, and has curtailed and skewed recruiting, vetting and training in the name of getting more police officers on the street to help Coalition forces combat the insurgents. This is one

10 Diana Rodriguez, Gerard Waite and Toby Wolfe, eds., *Global Corruption Report 2005*, Transparency International, London 2005, p.87.

reason that Iraqi police officers have generally neglected to aggressively pursue crime, both random and organized. The police need instead to be trained, equipped, and directed to make keeping the peace their highest priority, with fighting the insurgency a secondary concern.

- *Leave fighting the insurgents and organized crime to the Gendarmerie (and the armed forces).* Of course, counterinsurgent warfare does require considerable police assistance—in terms of detective work, information gathering, protecting the people against insurgent attack, and a host of other missions. In Iraq, many of these “policing” functions of counterinsurgency strategy should be left to a new Gendarmerie (addressed in Chapter 1) with the equipment, training, and specific mission to handle these tasks. Likewise, the Gendarmerie should be deployed to support the police with added firepower whenever they come up against groups of insurgents, militias, or heavily-armed mafias. Indeed, because organized crime is often a nation-wide phenomenon, because of their heavier armament, and because of their relationships with various insurgent and militia groups, it makes the most sense to leave this problem to the Gendarmerie altogether. Ultimately, the main role of the police should be establishing safety through presence (the “cop on the beat” role) and the pursuit of ordinary crime.
- *Revise police training and education with emphasis on civics.* The single greatest problem with the Iraqi police force is that it remains manned largely by officers who served in the same capacity under Saddam Hussein. The Saddam-era police force believed that its job was to oppress and to steal; the new Iraqi police must learn that its job is to protect and to serve. This will not come easily. As the Kurds learned when they took over Iraqi Kurdistan in 1991—and inherited part of Saddam’s police force in so doing—the *only way to change this problem is through a process of lengthy re-education.* The Kurds put their police officers through repeated courses in civics, teaching both new recruits and old hands the

basics of democratic governance, the relationship of a police officer to his community, and the role of the police in keeping order and peace. As could only be expected, the Kurds found that there were basically three types of personnel in their police force: those who understood and adopted this credo readily, those who could be persuaded over time, and those who never “got it.” These training courses became invaluable for them to identify which personnel fell into which groups, allowing them to put the best officers out on the street quickly and remove the worst from the force altogether. It took nearly a decade, but the Kurds now have a competent and trustworthy police force that we should hope that the rest of Iraq will someday emulate.

- *Transfer control of the Iraqi police to their local leaders.* Although it is common practice in the Middle East, *it was a mistake to allow the Iraqi police to come under the control of the Ministry of the Interior in Baghdad. Instead, it is imperative that control of Iraq’s police forces be transferred to their local municipalities and have the new gendarmerie support the police against the insurgents and the militia* (as described above). By placing the police under the command of the MOI, they became an arm of the central government, rather than of the people themselves. Making the police part of the local municipal government structure means that police officers are responsible to local magistrates, and ultimately to the people of the community in which they serve. Even within this structure, the police must be accountable to elected, and not just appointed, officials. This is the best way to ensure that the police come to learn that their job is to protect and to serve. It is also the case that local leaders are more likely to know about problems of corruption in their local police than that the MOI in Baghdad would. Finally, because the MOI in Baghdad is itself both rife with corruption and largely incapable of actually serving the state, turning Iraq’s police forces over to the communities that they serve would mean a far greater likelihood that they would be able to do their job, unhindered by the problems crippling the MOI.

- *Mandate internal investigative units for every police force of even moderate size.* Just as every ministry needs a well-funded and fully empowered Inspector General, so every police force needs an equivalent service (akin to the Internal Affairs Bureaus of large American police forces) to ensure that there is a system for the people to complain about the police and know that their charges are being investigated seriously.
- *Give them the equipment they need.* Like all Iraqi forces, the police are without much of the equipment they need to perform their jobs, especially in the risky security environment today's Iraq. As noted in Chapter 1, the problem of corruption makes the United States wary of providing Iraqi forces in general with equipment that could end up in the hands of the insurgents within hours. However, it is important to do so, at least as a reward for units who demonstrate commitment and ability.
- *Harsh responses to those who kill police or members of their families.* A constant problem for the Iraqi police is that insurgents, militias, and criminals may target them or their families for violence if they do not do as the bad guys want. This is one of the most important of many reasons why the Iraqi police remain compromised by corruption. One way to address this is to instill in every part of Iraq's governmental system the idea that those who harm policemen or their families have crossed a red line and are deserving of the harshest treatment under the law. The police and other security personnel must be encouraged and enabled to pursue cop killers to the maximum extent legally possible. Judges and prosecutors must also be convinced that those guilty of employing violence against the police or their families should be punished to the full extent of the law.
- *Empower the police.* Under Saddam, the Iraqi police were the lowest rung on Iraq's security ladder. As a result, they had little confidence in themselves which in turn undermined their capabilities. Today, this same perspective towards the police is resurfacing among Iraq's other security forces and, especially,

among U.S. military personnel who know that the Iraqi police are not well-regarded. As a result, it is rarely the case that the Iraqi police are allowed to take on any assignment that is in any way challenging. *Iraqi and Coalition forces must make a determined effort to work with the Iraqi police and allow them to take the lead in as many operations as possible—even recognizing that doing so could jeopardize the specific mission.* It is of great importance that the Iraqi police believe that they will be permitted and are considered able to handle all of their responsibilities, or else they will remain unable to do so.

Considerable progress has already been made with Iraq's judiciary, and large numbers of courts are up and running. Needless to say, there is still more to be done.

- *Make the selection process for judges transparent and merit-based.* So far, the Coalition and the Iraqi Ministry of Justice appear to have done well removing the worst offenders from Iraq's bench. However, the process has not been transparent and, at least so far, it has focused on removing those most loyal to the Ba'thist regime as well as the most corrupt, rather than retaining the most competent. This set of priorities is entirely understandable and commendable. However, now that the initial purges are completed, it is important to start building a system for selecting judges that will focus as much on picking the right people as excluding the wrong ones.

A related matter is the question of promotion, which is important for maintaining the integrity of judges once they have been elevated to the bench. The process for receiving promotions should include a committee that vets judges by looking over their record of decisions for any signs of corruption. Indeed, *it might be ideal to include well-regarded judges from foreign countries on these panels to ensure an outside and, hopefully, unbiased perspective in the process.*

- *Insulate judges from external pressure.* Again, real progress has been made in this regard with judges

receiving significantly higher salaries than other civil servants of equivalent rank and being afforded security details for themselves and their families. Even the currently high salaries should be examined closely to ensure that judges are compensated well enough to make it unlikely that they would succumb easily to bribery. Beyond this, the tenure of senior judges (including the Court of Cassation, Iraq's "Supreme Court") should be lengthened to inure judges to political vicissitudes. The Iraqi government has generally done well physically protecting its judges and their families and this must be maintained.

- *Make examples of corrupt judges.* Just as the most important corrupt ministers and other officials need to be investigated and prosecuted, so too should corrupt judges.
- *Create and fund an Iraqi NGO as a watchdog group over the judiciary.* In addition to a strong Inspector General to look for corruption on the bench, this is one of several areas where it would be beneficial to organize and fund a private entity dedicated to watching the decisions of the judiciary to try to uncover corruption. Iraq has a great many skilled lawyers, and it would not be difficult to convince a number of them to work for such an organization where they could scrutinize both the cases and the judges looking for suspicious patterns of behavior.
- *Demand maximum transparency.* Neither the public, nor the legislature, nor an NGO dedicated to sniffing out corruption is likely to have much success unless Iraq's judicial proceedings are transparent and easily accessible. In some cases, the extreme demands of national security might make some aspects of transparency impossible, but neither the Iraqis nor their U.S. advisers should err on the side of greater secrecy: as noted throughout Chapter 1, the key to defeating the insurgency and dealing with Iraq's other security threats is to create a strong state through a process of good government. Transparency in the judicial system is a foundational element of

good government and should not be sacrificed in the name of what are typically ephemeral threats to national security; threats that would be vastly outweighed by the long-term damage to national security by a judicial process that is seen by the public as arbitrary or corrupted. Consequently, in all but the most extreme circumstances, *Iraqi trials should be open to the public and a C-SPAN-like network should be established so that the general public can regularly watch important trials* (another good way of teaching civics). *Judges should be required to submit written decisions so that there is a public record* and these should be posted immediately on the internet for all to see. *Video tapes of the trials, as well as transcripts, should also be readily available.* In all of these ways, judges will have to make a well-justified argument in support of their decisions, and those decisions and the proceedings will remain on the public record for many years to come, creating a track record that should reveal corrupt practices—and deter other judges from ever going down that path.

- *Employ panels of judges, possibly including foreign judges, for key cases.* For capital offenses; high-profile cases; and those involving members of Iraq's insurgency, militias, organized crime, and senior former Ba'thist officials, it is important for Iraq to employ panels of judges (as it is in some of the highest profile cases, such as the trial of Saddam Hussein and his chief henchmen). Having multiple judges makes it harder to bribe or blackmail them, and makes it more likely that the verdict will reflect the law rather than fear, greed or some other bias. Similarly, Noah Feldman argues that Iraq should follow a practice employed successfully elsewhere of asking at least one foreign judge to be a member of these panels to ensure that at least one objective outsider is present to further diminish the likelihood of improper behavior. Feldman stresses that these outside judges must be Arabic speakers to ensure that trials do not become overly cumbersome, and recommends attracting the most highly-regarded members of the bench from Egypt, Jordan, Morocco and other states for stints in Iraq.

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- *Revise judicial education.* In Iraq, judges are produced by an established educational process, very different from the U.S. practice. However, this also means that it is relatively easy to teach Iraqi judges new sets of practices and norms. The key is to thoroughly revise the curriculum and vet the faculty of these programs to ensure that they are teaching appropriate legal and civics lessons to their charges.

REFORMING THE IRAQI POLITICAL PROCESS

Iraq's current political system is not helping the process of reconstruction either—quite the contrary. Here as well, the early mistakes of the United States—first among them allowing a group of exiles and Shi'i chauvinists to determine the shape of Iraq's democratic process—have resulted in a political structure that is exacerbating or even creating many of the problems plaguing the country. There is little evidence to suggest that those parties currently in power really represent the aspirations of the Iraqi people and a good deal to the contrary, their electoral victories notwithstanding. Not surprisingly, the leaders of these parties have few incentives to make the kinds of compromises necessary to achieve the national reconciliation that most Iraqis ardently desire. They have little incentive to make the government work more efficiently, and every incentive to pocket as much public wealth as they can. Likewise, few of Iraq's political leaders pay much attention to addressing the needs of the Iraqi people.

For instance, Phebe Marr, the doyenne of American Iraq experts, interviewed a wide range of Iraqi political leaders in 2004–05 and while she noted that every one of them recognized that the main concerns of the people were security, employment, and electricity, she also observed that few spent any time working to obtain those benefits for their constituents. In her words, "One rather surprising conclusion to emerge in these interviews was the relative lack of emphasis on economics. Economic development did not appear to be of paramount concern either among the Kurds or the shi'ah

[sic] Alliance leaders. While all gave lip service to the necessity of economic development and jobs, few put it at the top of their list. Nor did they dwell on it, or indicate much thought on the direction the economy should take.... At local levels, however, both in Baghdad provincial and local councils, and in the south (Basra and neighboring provinces) leaders put much more emphasis on economics and the need to get the economy moving. Clearly they saw their interests and their ability to hang on to power more closely tied with the economic well being of their constituents. Almost all random polling of Iraqi citizens shows that they put security, jobs and delivery of services such as electricity and water, at the top of their priorities. These interviews may indicate a disconnect between the political leaders at the national level and their constituents."¹¹

The only reason that the situation is not worse is that the United States has managed to curb some of the worst excesses of the current leadership, and a small number of those serving in the Iraqi government have turned out to be both morally upright and committed to the notion of a safe, prosperous Iraq. However, we cannot count on a few good apples curing the bunch. Instead, key features of the Iraqi system need to be reformed so that the country has a better chance of solving its many problems.

Revise the Iraqi electoral system. Because of the instability that has plagued the country and the mistakes of the United States when it created the original IGC, the process of allowing viable representatives and political parties to emerge has been greatly delayed. Many of the exiles used their positions on the IGC and their access to U.S. decision-makers and Iraqi resources to prevent potential rivals from securing resources or public support. This is a problem that is ongoing in Iraq, with new parties hamstrung in every way, including with the threat or use of violence by the ruling parties. In addition, the problems with security have made those who can promise Iraqi safety because of their

11 Personal correspondence, Phebe Marr to Kenneth Pollack, January 9, 2006.

control over irregular military forces unduly popular. As a result, few of those we would consider Iraq's true democratic élite have been able to emerge, gain public attention, acquire experience as candidates or public servants, and develop a network that would allow them to get elected, let alone represent a constituency in a genuinely democratic parliament.

Iraq's current electoral system employs a modified form of proportional representation which is hindering the emergence of many key features of democracy and could eventually prove disastrous for Iraq. All party leaders want proportional representation because it rewards party loyalty and favors weak national parties over strong individual candidates. It is only natural that Iraq's party leaders favored it, especially so given how little popular support most of them had when they first took power. Proportional representation has made every election a choice among these various parties—because they were the best organized—even though Iraqis might not have voted for any of the individuals on their party slates if the candidates had had to run on their own in local elections. This is also one of the reasons for the growth of sectarianism in Iraq: since the United States empowered a number of chauvinistic and religiously-based Shi'i parties and most Iraqi Shi'ah had few other choices for whom they could vote (and Ayatollah Sistani urged them to vote for these parties), they garnered a huge percentage of the vote, in many cases by default. Once in power, those Shi'i chauvinists proceeded to act, unsurprisingly, like Shi'i chauvinists. This alienated the Kurds and Sunni Arabs, and marginalized the secular exile parties, the most important of which had already been discredited by the inability of Ayad Allawi's interim government to live up to its promises during the period June 2004–January 2005.

There are two problems associated with proportional representation as an electoral system. The first is that

it polarizes the political system and therefore hinders the national reconciliation Iraq so desperately needs. By requiring would-be leaders to get elected on party slates, it reinforces party loyalty and encourages parties to highlight their differences, thereby pushing them to the extremes. It also rewards the fringes of a society at the expense of the moderates: because voting is not done locally, a would-be radical simply needs to find enough radical supporters across the entire population (or in the Iraqi case, across the population of an entire province) to get elected, rather than having to find a concentration of them in a narrow geographic area. Fringe voters can vote for fringe candidates who represent extreme views, or simply single issues. This is why proportional representation results in badly fragmented parliaments where tiny extremist parties can pull larger moderate blocks to their extreme. The moderates often lack the parliamentary majorities necessary to rule and so must build coalitions that include radical groups.

The second problem created by proportional representation is that *it distances parliamentary representatives from the people.* Members of parliament are elected as part of a party list, and therefore their loyalty is to the party, not to their constituents. Individual parliamentarians lack a true constituency that they must serve. Only the party has constituents and this diffuses the imperative to work for the voters. It also reinforces the worst qualities of Iraq's current political élite, allowing them to largely ignore the population and concentrate on scheming for a greater proportion of power and graft for themselves and their party.

*The best system for Iraq would probably be some sort of direct, geographic representation, as in Great Britain and the United States, because this would encourage parliamentary compromise (and national reconciliation) and force legislators to pay close attention to the needs of their constituents.*¹² Geographic representation favors

¹² This is not to suggest that the Anglo-American system is the "best" overall only that given the particular needs of Iraq today, that system is best suited to help Iraqis overcome their problems. Other systems do better at addressing other problems, but in Iraq's case these other electoral systems would exacerbate Iraq's particular difficulties.

the individual candidate over the party, thus allowing the emergence of strong, popular figures. And because every parliamentarian is elected by a specific district, he or she must care deeply about the well-being of those voters. Moreover, a geographically-based “winner-takes-all” system emphasizes compromise within the legislative process. Candidates from districts representing mixed populations have a tremendous incentive to find solutions that will secure the support of all of their constituents. Thus, while proportional representation pushes parliamentarians toward the extremes (to demonstrate the differences between the parties) geographic representation pushes parliamentarians toward the center. And Iraq desperately needs a political system that will encourage compromise across party and sectarian lines.

Because of how deeply entrenched the current parties are, it will be extremely difficult to have them give up their current form of proportional representation. *One solution would be to encourage the Iraqis to adopt a hybrid system like Germany’s, with half of the seats in the Council of Representatives being decided by proportional representation and half by geographic direct election.* At the very least, having half of the Council of Representatives directly elected would place an important curb on some of the worst tendencies of proportional representation for the Iraqi system. If the Council of Representatives were to agree to it, they could pass such an electoral change in a matter of weeks or months, dissolve parliament, and have new elections very quickly.

Other methods of connecting Iraqi politicians to the people. As noted several times, one of the more deleterious traits of current Iraqi politics is the disconnect between the political leaders in Baghdad and the rest of the country. It is critical to create structural incentives for Iraqi national figures to pay more attention to the needs of their constituents. In addition to changing the

electoral system to employ a geographic “winner-takes-all” method, several other options suggest themselves:

- *Reduce the period between mandated elections from four to two years.* The more frequently parliamentarians have to run for re-election, the more attentive they must be to their constituents.
- *Create formal feedback mechanisms whereby voters can make their grievances known to those who represent them.* For example, Council of Representatives members could be required to attend regular public meetings in their district where they could be questioned by anyone who showed. (Or in the event proportional representation is retained, the parties could be required to send one or more of their Council of Representatives members to such meetings all across the province from which they were elected). At the very least, this would force parliamentarians to hear the complaints of their voters, which might make them more responsive, if only so that they won’t hear so much criticism at the next meeting.
- *Make it mandatory that in either the 2009 or 2013 elections all (or even just half of all) candidates for Council of Representatives must have served on either a local or provincial council.* This could be a very powerful method for injecting the needs of local populations into Iraq’s rarefied national politics. If every member of the Council of Representatives has to have been elected to local and provincial councils it forces the political parties to pay a great deal of attention to elections for the lesser assemblies. Even if only half of their election lists must meet this requirement, that too would force them to care more about what goes on in the local governments.¹³ What’s more, because candidates will take with them a reputation from their time on the local and provincial councils—which will inevitably play a role in later elections—the candidates themselves

13 If Iraq were to adopt the German system of having half of its parliament elected by direct geographic election and half by proportional representation, then it would be ideal to couple this with a requirement for the half of the Council of Representatives to be elected by proportional representation to have proven themselves by having first served on local or provincial councils. This would ensure that every Iraqi representative felt at least some incentives to act on behalf of their constituency.

and the parties to which they are beholden will have a tremendous incentive to do well on the local and provincial councils. These, by their very nature, are far more concerned with practical matters like improving local irrigation and assessing property taxes—basically about delivering what the voters need and want, which is so lacking in Baghdad today.

Other methods of diminishing sectarianism. Because so many of the problems facing Iraq today are exacerbated or caused by the deepening sectarianism in the country, reversing this trend is also crucial. This is difficult but not impossible, especially with enough time to undo the damage of the past two-and-a-half years.

- *Foster civil society groups that focus on issues.* Governments (including the U.S. government), international organizations, and NGOs should all be encouraged to help establish and fund private citizens' groups within Iraq dedicated to specific issues or sets of issues relevant to the public interest—improving education, improving health care, improving the quality of life for women, etc. Because these issues invariably span sects and ethnicities, they can help connect people from across Iraq's religious and ethnic spectrum. *The goal is to create what political scientists call "cross-cutting cleavages,"* which means that the population can be divided in multiple ways depending on what the issue is, which makes compromise possible across issues and weakens identity as a defining feature of the Iraqi political landscape. For example, if all of Iraq's women can line up on the issue of *shari'a* law, that weakens each ethnic or religious bloc because now half the members of each bloc have something in common with one another that they do not have in common with the other half (the men) of their bloc.
- *Support political parties that run on issues—even single issues—rather than identity.* It is vital to change Iraq's political discourse from a debate over identity to a debate over issues, both because doing so would further weaken the strength of the sectarian blocs

and because differences over issues can more easily be solved through a democratic political process than can fundamental clashes between sects. The United States, foreign governments, international agencies, and NGOs should encourage groups of Iraqis particularly passionate about specific issues to form political parties and run for office based on those issues. An Iraqi "Green" party dedicated to environmental concerns, an Iraqi feminist party dedicated to equal rights for women, or an Iraqi farmers' party dedicated to supporting Iraq's agricultural workers would all be positive developments. There are conservationists, women and farmers in every ethnic group, and the more that they could be linked and convinced to make politics about issues, not identity, the better off the state will be.

- *Education, both for voters and candidates.* Education is always an important element in solving political problems and teaching Iraqis that elections should be about issues rather than identity can help discredit those who try to run based solely on their identity, or try to attract voters by advocating ethnically divisive policies. Similarly, it would be useful to create and fund NGOs to train would-be Iraqi candidates in democratic practices that would include defining a political platform based on what you stand for, not who you are.
- *Support an independent media.* Iraq needs its own television, radio, newspapers, and news magazines divorced from political parties. To some extent this exists in the U.S.-funded *al-Iraqiya* network; however, *al-Iraqiya* has suffered from poor management and direction and is not quite the Iraqi BBC that it was envisioned to be. *Thoroughly overhauling al-Iraqiya and transferring its control, direction, staffing, and content to an independent agency funded and staffed by the Iraqi government (on the BBC model), could help greatly.* Capital should also be made available to support private media enterprises. Given their independence, authenticity with the target audience, and prospects for sustainability, private media are potentially highly effective means

by which to increase openness and foster critical debate in formerly closed societies.

Help new parties and leaders to emerge. This is an obvious point, but one more easily said than done. The United States needs to make an aggressive effort to allow new political parties and new Iraqi politicians to emerge who will be more representative of the views of the Iraqi people, if only to force the existing parties to move in the same direction.

- *Punish Iraqi parties that prevent new parties from emerging.* This is probably the most important step that the United States can take to advance this goal. There are widespread allegations of established parties using every method available to them, including violence and murder, to prevent rivals from emerging that could challenge them for power. Washington should obviously press the Iraqi government to investigate such charges, and prosecute those believed to be responsible. However, the Iraqi government has a poor track record on this matter and so it would behoove us to pursue it independently as well. *The United States should attempt to investigate charges of suppressing political rivals independently, and if the investigation finds another Iraqi political party guilty, the United States should impose its own sanctions against that party.* These sanctions could include barring the party or its members from receiving any U.S. aid (including reconstruction contracts), barring U.S. diplomatic or military personnel from meeting with members of the party, or barring them from traveling to the United States. To be clear, the United States should be focused on supporting democratic processes and institutions—not getting behind particular individuals. It is not our role to pick winners.

- *Fund start-up parties.* The United States is already providing a fair degree of support to Iraqi political parties. This simply needs to be continued and expanded.

Media training. A strong, independent and competent Iraqi media is a critical element of a healthy Iraqi

political system. The Bush Administration has made a considerable effort to advance this goal. However, there is at least one area where more can clearly be done:

- *The United States should provide education to Iraqi journalists in basic civics, the functioning of democracy, bureaucratic procedures, and some basic economics to enable them to play their role of public watchdog better. The United States should create programs to teach these subjects in Iraq and provide six-month or one year fellowships for Iraqi journalists to study these subjects outside of Iraq.*

REFORMING THE AMERICAN EFFORT

Not all of the problems that need remedying in Iraq lie within the Iraqi political system. Unfortunately, a fair number reside with the U.S. government. The U.S. military can be faulted for certain important aspects of its handling of the war in Iraq, but the civilian side of the bureaucracy has, in many ways, performed far worse. And the problems start at the very top. So far, the White House has not pushed as hard or as consistently as necessary to ensure that things are getting done, and has done a poor job managing the federal bureaucracy. The interagency process has broken down. There is too little direction from the top or coordination of effort, and too little coordination with efforts in the field. (There have been some important bureaucratic changes in recent weeks, but it is too soon to tell if they will reverse these trends).

An important aspect of this problem has been that the Bush Administration has not conveyed a sense of priority for Iraq issues to the bureaucracy. As a result, key items have frequently been snarled by petty bureaucratic hurdles. One of the most vexing problems facing the disbursement of monies appropriated for Iraq has been federal contracting and anti-corruption guidelines. Too many would-be Iraqi contractors are unable to get through this web: they lack the language skills, they do not have the legal education to understand most of what is required, their organizations often do not meet U.S. standards, they operate in a cash

that would integrate military, political, and economic decision-making. This change is vitally needed both to better run reconstruction in all its dimensions, and to help increase the effectiveness of the Iraqi governmental system. Moreover, it is a system that has worked well whenever employed, from the Briggs plan in Malaya through the CORDS program in Vietnam.

The key to this reform is to put in place a hierarchy of committees consisting of all key players in reconstruction and governance. At the highest level, there should be a Supreme Reconstruction Council (SRC), which should include the American reconstruction “chief” (described in Chapter 1), the Commander of Coalition forces in Iraq, the U.S. ambassador, the British ambassador, the highest ranking international official in Iraq, along with the Iraqi Prime Minister, National Security Advisor, and the Ministers of Defense, Interior, Oil, and Finance. The SRC would set broad guidelines for policy and all of the subordinate committees would ultimately report to it.

Beneath the SRC would be 18 Provincial Reconstruction Councils (PRCs)—one for each of Iraq’s 18 provinces—and each modeled on the SRC. Each PRC would include the local Coalition military commander (and every province would have its own division-level or sub-division-level command staff, as stipulated in Chapter 1, to bring them into alignment with the political hierarchy), a representative of the U.S. State Department charged with the political aspects of reconstruction in that province, a member of USAID charged with the economic aspects of reconstruction in that sector, representatives of any UN agencies working in that province, a representative of the NGOs working in that province, along with the Iraqi governor and members of the governor’s staff responsible for local security, politics, and economic development. The PRCs would regularly report to the SRC and seek guidance from it, while simultaneously managing the work of the next rung in the ladder beneath them, the Local Reconstruction Committees (LRCs).

Like the SRC and PRCs, the LRCs would consist of the

local Coalition military commander, representatives from State and USAID, at least one representative of the major NGOs working in the locality, along with the most senior Iraqi official in the area, the local chief of police, along with the senior officials responsible for specific sectors of reconstruction in that area like agriculture, industry, education, health, oil, infrastructure, human rights, trade, etc. There should be scores, perhaps even hundreds of LRCs all across Iraq, taking the guidance passed down from the SRC and the PRCs and turning it into practical efforts on the ground. The LRCs should be given considerable autonomy and encouraged to take the initiative in solving local problems, because every locality will have unique circumstances and the higher level committees should mostly be responsible for directing resources and providing broad guidance, with the LRCs responsible for adapting them to their specific circumstances. The LRCs should also provide constant feedback to the PRCs (and from there to the SRC) regarding what is working and not working, what problems they are facing, and what solutions they have devised. *Both the PRCs and the SRCs should be explicitly tasked with constantly developing lessons learned and formulating “best practices” that can then be passed back down to all of the PRCs and LRCs in hope that they might be able to adopt and adapt some of the solutions devised by other LRCs elsewhere in the country.* Indeed, this function is so important that it might warrant the creation of a distinct inter-committee staff explicitly tasked with this responsibility.

In some cases, the LRCs might be the lowest rung of the ladder, representing the governance/security/economic development team charged with running reconstruction efforts in smaller towns and their environs. For big cities, however, the LRCs would themselves control a series of Neighborhood Reconstruction Committees (NRCs) that would be composed of similar groups, but at a lower level than the LRCs, and would perform the same functions for parts of large cities that the LRCs would perform for towns and rural areas. *The key is to ensure an adequate distribution of such committees based on population density.*

Ideally, there would be either an LRC or an NRC for every 50-100,000 people in Iraq. This is the best, and really the only way to ensure that the immediate needs of the Iraqi people are met, that reconstruction starts at the grass roots and builds upwards, that reconstruction is carried out equitably across the population—at least within secured areas, because the committee structure really should only apply within the “oil stain”, where it should be safe enough for the civilian members of these teams to operate and to make real political and economic reconstruction possible—and that reconstruction is able to seep into every part of Iraq. These principles are vital to the success of reconstruction and it is hard to imagine another system that would be able to address this requirement.

What’s more, this system, over time can allow the disengagement of foreign personnel, particularly the U.S.-led military Coalition. As an area is secured, becomes politically stable, and then economically prosperous, Coalition personnel can be withdrawn from the relevant committees, leaving only the Iraqis, the international personnel, and the NGO representatives. Eventually, even the international and NGO members might also become superfluous, leaving only the Iraqis.

The Bush Administration’s nascent plan to deploy Provincial Reconstruction Teams (PRTs) to Iraq is a good start in the same direction, but falls far short of what is needed because it will not erect an integrated hierarchy reaching from the bottom to the top of Iraqi government. Although the PRTs in Iraq are intended to be different from those employed in Afghanistan, it is still the case that PRTs rely too heavily on military personnel and so are better suited to helping with security sector than civilian sector reforms.¹⁴ Of greater importance still, PRTs are teams who work with local Iraqi officials; they are not a hierarchy that integrates the reconstruction effort both horizontally and vertically, which is what Iraq desperately needs

(and is a well-tried method of addressing the problems of both insurgencies and failed states). Finally, PRTs are teams of Americans and/or other foreigners who are supposed to assist the local Iraqis—they are not part of a structure that integrates Iraqis, Americans and other personnel (including international and NGO members) into a single decision-making entity to coordinate the work of all and ensure that decisions are taken in common with the backing of all of the various groups.

Increasing civilian personnel in Iraq. Another important failing of the U.S. effort has been the dearth of civilian personnel from State, USAID, CIA, Energy, Agriculture, and other key agencies. At present, there are barely 1,000 American civilian officials in Iraq, of whom roughly 90 percent are based at the embassy in Baghdad.¹⁵ As noted in Chapter 1, it is frequently the case that American military personnel are the only Americans present in a town or other part of Iraq. Very few of Iraq’s 18 provinces have more than a half-dozen American civilian government personnel working in them, and even fewer American military units have civilian advisers attached to them. The most basic problem is that it is not safe for American civilians to travel in Iraq outside Baghdad’s Green Zone. However, it is absolutely vital that they do so. A great many of the changes recommended in this report require increased contact between Americans and Iraqi personnel at all echelons in the Iraqi governmental structure and across the pacified sectors of Iraq. This, of course, is part of the solution to the problem: by concentrating security forces to create safe zones, the United States would be opening up much larger swathes of Iraq to the free movement of American (and other foreign) civilians. However, this is only part of the problem.

The other part of the problem stems from the failure of the White House to put the government on a true

14 For an assessment of the experiences and problems with the PRTs in Afghanistan, see Robert M. Perito, “The U.S. Experience with Provincial Reconstruction Teams in Afghanistan,” United States Institute of Peace, Special Report 152, October 2005.

15 “Iraq: Assessment of Progress in Economic Reconstruction Governmental Capacity,” Staff Trip Report to the Committee on Foreign Relations, United States Senate, December 2005, pp. 23–24.

war footing, mobilize all resources to prosecute and win the war, and notify all personnel to be ready for deployment to Iraq to perform the services their country requires of them. It is worth noting that in Vietnam the highly-successful CORDS program employed over 1,200 American civilians alone, virtually all of whom were deployed to the field to work with the Vietnamese at every level of society.¹⁶ Many members of the State Department opposed the invasion of Iraq, and were further angered by the, admittedly foolish and arrogant, behavior of some DoD officials in handling the immediate postwar period. It is true that a number of senior DoD personnel acted in an unprofessional fashion, barring some of the most knowledgeable and capable people at State from participating in reconstruction activities either in Washington or in Iraq. Nevertheless, many at State responded in a similarly unprofessional manner by refusing to take ownership of Iraqi reconstruction in return. Even today, when the Secretary of State has nominally taken over principal responsibility for the Iraq project, there are far too few State Department and USAID personnel serving in Iraq. Like it or not, the war in Iraq is the most important effort of U.S. foreign policy in the world today by far, and its outcome will have a profound impact on America's place in the world for many years to come. It is time for all U.S. government agencies and their personnel to start acting accordingly.

- *State and USAID must commit far greater numbers of personnel—particularly those with Arabic and knowledge of the Arab world—to the reconstruction of Iraq, even if this means reducing the manning of posts elsewhere. As was the case in Vietnam, State Department officers sent to Iraq should serve 18-24 month tours. In particular, there need to be sufficient State and USAID personnel to fill the various slots assigned to them on the SRC, as well as the PRCs, LRCs and NRCs described above. Fully staffing this integrated hierarchy is non-negotiable; it is vital to the success of reconstruction in Iraq, and it will*

only work if the requisite personnel are assigned to it.

- *Although they need to be deployed in safe environments, far more personnel need to be assigned to missions outside of the Baghdad Green Zone. Again, it is particularly important that sufficient civilians be deployed throughout the country to fill out the various PRCs, LRCs, and NRCs, that will serve as the new nervous system for the reconstruction program as it slowly spreads across Iraq. Without the civilian component, this hierarchy will be just as irrelevant as the present all-military chain of command.*
- *Civilian agencies must consistently send their best people to Iraq. While certainly some of our best technocrats have served in Iraq, this is not always the case. Unfortunately, with many of the civilian agencies, when they are called on to provide personnel for Iraq, because they do not consider it their highest priority, they typically give up those personnel they are most willing to lose—who are rarely their most capable. In this case, State and USAID have been much better than other agencies, but even they could do better. Once again, the issue here seems to be the failure of the White House to impress upon these other agencies that there truly is a war on, and they are expected to make winning that war their highest priority.*
- *To complement this effort, civilians in the government must be given greater incentives—both positive and negative—to serve in Iraq. Those who served there should not only receive higher pay and bonuses, they should also get preference for promotions, choice assignments, and other perks. Those who refuse to serve in Iraq without a very good reason should be penalized in the same manner. The bottom line is that the agencies of the U.S. government need to start conveying to their personnel that service in Iraq is a priority for the agency and their careers could perish or flourish based on it.*

¹⁶ Perito, op. cit.

INCREASING INTERNATIONAL ASSISTANCE

Although it has largely faded from the op-ed pages as a topic in the debate over American policy toward Iraq, there are still important roles to be played by the United Nations. This is particularly the case now, after the December 2005 elections have ushered in what is to be Iraq's permanent and fully sovereign new government. This is a moment of transition and it would be a fitting moment for the United States to begin handing over some of the burden of guiding Iraq's reconstruction to an international body. This would be beneficial to Washington because of the high risk that the new Iraqi government will be less willing to follow U.S. political guidance than its predecessors. There is still a tremendous amount of work to be done to create a stable Iraqi political system and at this point, it would be much easier for the United Nations or some other international actor to take the lead in pushing the Iraqis on this issue than the United States. Thus, a greater international role would both reinforce the Bush Administration's claim that the elections mark a significant point of departure from the past and bring in new figures and institutions that could help press what is likely to be an increasingly recalcitrant Iraqi government that it must thoroughly reform itself. What's more, greater UN involvement could help pave the way for greater allied contributions, albeit not necessarily in terms of large numbers of combat troops.

At the most basic level, it remains the case that the United Nations, through its various agencies, can call upon a vast network of personnel and resources vital to various aspects of nation-building. One of the greatest problems the United States has faced is that we simply do not have enough people who know how to do all of the things necessary to rebuild the political and economic system of a shattered nation. The United Nations has worked with thousands of people who have such skills in Cambodia, Bosnia, Kosovo, East Timor, Afghanistan, and elsewhere. If the United Nations ask those people to help in Iraq, they are quite likely to come, whereas they have largely been

unwilling to answer the same call from the Bush Administration so far. The ability to tap into a much bigger network of people with desperately needed skills, by itself, is a crucial virtue of the United Nations.

Indeed, many of the recommendations of this report either require or would be improved by an increase of skilled personnel from international organizations, NGOs, and foreign governments to perform much-needed functions. For instance, the greater numbers of police instructors needed to provide Iraq's police with longer, more intensive and more frequent training; the foreign judges who are to sit as part of judicial panels for key cases including those involving corruption; and the teachers needed to train Iraq's media in the functioning of a democratic government and free-market economy, can and should all be provided by sources other than the United States of America.

Is greater international participation feasible? The reticence of the international community to participate more fully in the reconstruction of Iraq stems from two separate issues. The first of these was the stubbornness that Washington initially indulged in before and immediately after the invasion of Iraq. The Administration's often-perfunctory diplomatic efforts, its insistence that third parties act fully in accord with U.S. preferences rather than per widely-accepted norms for conducting nation-building operations, its refusal to place the operation under some form of UN chapeau and its undiplomatic conduct toward a number of countries and international organizations alienated a great many who initially showed themselves willing to participate in postwar reconstruction, even though they may have disagreed with the decision to mount the invasion in the first place.

The other stumbling block to garnering greater support through the United Nations has been, once again, the security situation. After the bombing of the UN headquarters in Baghdad in August 2003, the UN Secretary General, Kofi Annan, has been disinclined to put large numbers of additional UN personnel into the country. This provides still another incentive to deal with the

security situation quickly—by shifting to a true COIN strategy that would begin by making key sectors of the country safe enough for civilians to perform their missions. As with the greater number of U.S. civilian officials, discussed above, creating safe zones in Iraq should make it much easier to bring in larger numbers of foreigners as long as they are retained in the secured areas. This should make it easier to convince Secretary General Annan to send people to Iraq, which should make it easier to secure support from international NGOs, which should then allow the security situation to improve in a virtuous cycle. And historically, post-conflict reconstructions generally follow either a virtuous cycle (with each positive development reinforcing other positive developments, which in turn reinforce the original positive developments) or a vicious cycle in which failures and problems feed off of one another to make everything progressively worse.

With regard to the political problems, the United States will not only have to change its tone to our allies, to international organizations like the United Nations, and to the NGOs (something that is already improving under the changed personnel of the second Bush 43 Administration) but will have to be willing to allow the United Nations and foreign countries to play a leadership role—particularly on the political and economic tracks—in the reconstruction of Iraq.

- *The Bush Administration should meet with the P-5, other UN Security Council members, and the Secretary General, and make clear that the United States is willing to cede real control in return for the United Nations providing real resources and real leadership.* We should specify areas where we would like greater assistance from the United Nations in the political, economic, and social spheres, discuss what assistance and resources the United Nations could provide, and even agree to allow them to take the lead if we are convinced that doing so will be helpful. It would be preferable to have all of this codified in a new UN Security Council resolution and the functions stipulated as responsibilities of a new high commissioner.

The need for a UN-authorized High Commissioner for Iraq similar to the High Commissioner for Bosnia.

There is also the need for UN cover at the top of the reconstruction pyramid. The new Iraqi government and the U.S. embassy have not yet publicly clashed on anything of real significance, and so the current arrangement has “worked” so far. But it is unclear that this will always be true: one can postulate a multitude of scenarios in which an Iraqi government—this one or another—will disagree with the United States, and then the U.S. ambassador will be in a weak position to try to prevent the Iraqis from doing as they please, even if it is deleterious to Iraq. A UN-authorized High Commissioner for Iraq with the power (as the Bosnia High Commissioner has) to veto orders by the Iraqi executive and legislation from the Iraqi Council of Representatives could solve this problem by cajoling or coercing Iraqi leaders in ways that the U.S. ambassador probably cannot and will not want to. To put it bluntly, given the composition of the current Iraqi political leadership there is a high likelihood that someone will have to step in at some point to stop the Iraqis from taking some action that would be very harmful to the future security, stability, or prosperity of Iraq. In such instances, it would be much better for both the United States and Iraq if that “someone” is a UN-authorized high commissioner, and not the U.S. ambassador.

In addition, another reason (“excuse” may be more accurate) offered up by our European and other allies is that they cannot, politically and/or legally, participate in an occupation not under UN jurisdiction. Washington’s willingness to accept a UN-authorized High Commissioner, as part of a new U.S. approach to the United Nations, an approach that agreed to allowing the UN Security Council (and/or the Secretary General) a genuine role in Iraq’s reconstruction, would effectively remove that obstacle. It might be enough to persuade some governments to join the coalition, and might make it impossible for others not to do so. In the end, some countries might still balk, but because it would be so useful to secure as many additional allied contributions as possible, it is critical for the United States to be seen as going the extra

mile to meet the conditions laid out by these various countries for their support, and for most of them, the insecurity and the meager UN role have been their principal complaints. It still may not work, but we must be willing to try.

Engaging the neighbors. All of Iraq's neighbors have considerable influence with different groups inside the country—especially the most problematic groups that are looking to pursue extreme or unilateral courses that would undermine stability and unity and could help push the country into civil war. What's more, many of them have real resources that could be of value to the process of reconstruction. Consequently, the United States would do well to make a greater effort to engage them in the reconstruction effort. In particular, Iran's support is vital to the success of reconstruction and we must find ways to restore the backchannel cooperation that Washington and Tehran engaged in to their mutual benefit during Operation Enduring Freedom.

- *Creating a contact group for Iraq.* The United States should institutionalize a conference with representatives from the United States, Great Britain, Iraq, and all of Iraq's neighbors—conducted under the auspices of the United Nations. In this forum, the United States, Great Britain, and Iraq should all regularly brief the other members on key developments, short and long-term plans, and key requirements. All of the neighbors are deeply concerned about developments inside Iraq, and being more forthcoming with information would be an important first step toward assuaging their fears. In addition, they should be encouraged to make suggestions regarding future developments in the country: it will be impossible to prevent them from doing so under any circumstances, they may actually have some good ideas, and the more we and the Iraqis can be seen as solicitous of their opinions (let alone actually adopting some, even minor, suggestions) the better we will be in a position to secure their assistance in every sense of the word.

In return, we and the Iraqis should make clear that we expect the neighbors to provide support to the reconstruction. The Iraqi people tend to dislike all of their neighbors for one reason or another, thus we should avoid requesting large numbers of troops if at all possible. However, it probably would be reasonable to ask for smaller numbers of personnel from Jordan, Saudi Arabia, and Kuwait to serve as translators in Iraq, and to increase their financial contributions to reconstruction. Likewise, these three and the Syrians should be encouraged to lean on Sunni tribal leaders to end their support for the insurgency and instead back the reconstruction. Similarly, the Iranians need to be encouraged to remain supportive of reconstruction. We need to reassure them both that the United States will succeed and that we will not use a stable new Iraq as a base for future operations against Iran. And we need to encourage them to continue to encourage their various proxies in Iraq to continue to work peacefully in support of reconstruction, and not against it.

Again, we need to accept the reality that Iraq's neighbors have the ability to meddle in Iraqi affairs and to make the course of reconstruction more difficult—very difficult, in the case of Iran. We have to give them an incentive to use that influence constructively, and to contribute far more than they already have. That means treating them as valued partners in the course of reconstruction, although it should not mean giving them veto power over any decision agreed to by the Iraqi government and the United States.